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PRODUCTION OF DURUM WHEAT



HEARING
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON
AGRICULTURE AND FORESTRY
UNITED STATES SENATE
EIGHTY-SIXTH CONGRESS
FIRST SESSION
ON
S. 623, S. 1208, and S. 1282
BILLS RELATING TO ADDITIONAL ACREAGE ALLOTMENTS
FOR THE PRODUCTION OF DURUM WHEAT

MARCH 19, 1959

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CONTENTS

	Page
Statement of—	
Anderson, Hon. LeRoy H., a Representative in the Congress from the Second District of the State of Montana.....	4
Crockett, Richard, president, Durum Growers Association, Langdon, N. Dak.....	13
Green, Robert M., secretary, National Macaroni Manufacturers Association, Palatine, Ill.....	22
Keating, Al., director of commodities and research, North Dakota Farm Bureau, Fargo, N. Dak.....	15
Manwaring, H. Laurence, Deputy Administrator for Production Adjustment, Commodity Stabilization Service, U.S. Department of Agriculture.....	49
Murray, Hon. James E., a U.S. Senator from the State of Montana..	3
Satterfield, J. Alton, Grain Division, Commodity Stabilization Service, U.S. Department of Agriculture.....	49
Saunders, Richard K., secretary and treasurer, Durum Growers As- sociation, Doyon, N. Dak.....	33
Stearns, James G., Durum Wheat Committee of Tulelake Basin, Tulelake, Calif.....	38
Wentzel, Ray., vice president and general manager, milling division, Doughboy Industries, Inc., New Richmond, Wis.....	31
Miscellaneous documents:	
S. 623, S. 1208, and S. 1282, 86th Congress.....	1
Table, Durum wheat: Acreage and production, United States.....	19
Table, Durum wheat: Acreage and production, North Dakota.....	19
Chart, Durum wheat: Acreage, yield and production, 1919-58, North Dakota.....	22
Report on Tulelake Basin, Calif.....	38
Map showing Tulelake Basin area.....	46
Department of Agriculture reports on S. 623 and S. 1208.....	49
Statement filed by Hon. Clair Engle, a U.S. Senator from the State of California.....	54

PRODUCTION OF DURUM WHEAT

THURSDAY, MARCH 19, 1959

U.S. SENATE,
SUBCOMMITTEE ON AGRICULTURAL PRODUCTION,
MARKETING, AND STABILIZATION OF PRICES OF THE
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., room 324, Senate Office Building, Senator Olin D. Johnston (presiding).

Present: Senators Johnston (presiding), Aiken, Young, and Mundt.

Also present: Senator Langer.

Senator YOUNG. The meeting this morning is for the purpose of considering S. 1208, introduced by Senators Murray and Mansfield; S. 623, introduced by Senator Kuchel and Senator Engle; and S. 1282, introduced by Senators Langer, Mundt, Case, and myself.

(S. 623, S. 1208, and S. 1282 are as follows:)

[S. 623, 86th Cong., 1st sess.]

A BILL To exempt the production of durum wheat in the Tulelake area, Modoc and Siskiyou Counties, California, from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended, effective with respect to the 1960 and subsequent crops, by adding at the end thereof a new subsection as follows:

“(j) Notwithstanding any other provision of this Act, the Secretary shall exempt from the wheat acreage allotment and wheat marketing quota provisions of this Act the production of durum wheat (class II) in the portions of Modoc and Siskiyou Counties, California, that comprise the area known as the Tulelake division of the Klamath project of California, as defined by the United States Department of the Interior, Bureau of Reclamation. Notwithstanding any other provision of law, durum wheat (class II) of the 1960 and subsequent crops produced in such area shall not be eligible for price support as provided under section 101 of the Agricultural Act of 1949, as amended.”

[S. 1208, 86th Cong., 1st sess.]

A BILL To amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 334(e) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1334), is amended to read as follows:

“(e) Notwithstanding any other provision of this Act, the Secretary shall increase the farm marketing quotas and acreage allotments for the 1959 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and

(2) have produced such wheat for commercial food products during one or more of the seven years 1952 through 1958. The increase in the wheat acreage allotments for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the 'original allotment') an acreage equal to the acreage by which the original allotment exceeds the 1959 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as 'other wheat'), but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than fifteen acres, and (2) varieties of class II (durum wheat) known as 'Golden Ball' and 'Peliss' shall be regarded as 'other wheat'. Notwithstanding any other provision of this subsection, (1) no acreage allotment shall be increased under this subsection by more than sixty acres, and (2) no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).

"The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county, and farm acreage allotments.

"The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection—

"(1) the 'farm acreage allotment' shall be the allotment established without regard to this subsection and not the increased allotment under this subsection, and

"(2) each acre planted to durum wheat (class II) shall count as one-half acre of wheat.

For the purposes of this subsection, 'wheat acreage on the farms' shall include acreage in the wheat acreage reserve."

[S. 1282, 86th Cong., 1st sess.]

A BILL Relating to acreage allotments for durum wheat

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 334(e) of the Agricultural Adjustment Act of 1949, as amended, relating to increased allotments for durum wheat, is amended to read as follows:

"(e) (1) Upon receipt by the Secretary of a recommendation of the Advisory Committee appointed pursuant to paragraph (2) for an increase in the acreage allotments of farms producing durum wheat, the Secretary shall consider such recommendation and, if he finds that the wheat acreage allotments of such farms are inadequate to provide for the production of a sufficient quantity of durum wheat to satisfy the demand therefor, the wheat acreage allotment of each farm located in a county in the States of North Dakota, Minnesota, Montana, South Dakota, and California designated by the Secretary as a county which (1) is capable of producing durum wheat, and (2) has produced such wheat for commercial food products during one or more of the five year immediately preceding the year for which such allotment was made, shall be increased for the crop planted in the calendar year in which such determination is made by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any year if any wheat other than durum wheat is planted on such farm for such year. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allot-

ment for the farm established without regard to this subsection and not to the increased allotment under this subsection. As used in this subsection the term 'durum wheat' means durum wheat (class II) other than the varieties known as 'Golden Ball' and 'Peliss'.

"(2) There is hereby established an Advisory Committee to be appointed by the Secretary which shall be composed of five members who shall be representative of the growers of durum wheat, two members who shall be representative of the millers of such wheat, and two members who shall be representative of the manufacturers of macaroni or similar products processed in whole or substantial part from durum wheat. Members of the Advisory Committee shall serve for terms of three years except that (i) the terms of one-third of the members first appointed shall expire, as designated by the Secretary at the time of appointment, at the end of 1, 2, and 3 years, respectively, following the date of enactment of this Act, and (ii) any member appointed to fill a vacancy caused by death or resignation shall be appointed for the unexpired term of his predecessor. Persons appointed as representative of any of the foregoing groups shall be chosen from among persons suggested by the members of such group or by any association or other organization of such members. Members of the Advisory Committee shall be paid compensation at the rate of \$50 per diem when engaged in the work of the Committee, including travel time, and shall be allowed travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 73b-2) for persons in the Government service employed intermittently and receiving compensation on a per diem when actually employed basis. The Advisory Committee shall meet at least once each year at a time designated by the Secretary, and at such other times as may be designated by the Secretary or by a majority of the members.

"(3) It shall be the duty of the Advisory Committee to make studies for the purpose of ascertaining the estimated production of durum wheat and the estimated demand for such wheat and the products thereof. In any case in which the Advisory Committee determines that for any year such estimated demand will exceed such estimated production, it shall determine the extent to which farm acreage allotments should be increased in order to supply the deficiency and shall recommend such increases to the Secretary. The Secretary shall make available to the Advisory Committee any statistical and other data in the possession of the Department of Agriculture, and such technical, secretarial, or other assistance, as may be necessary to enable the Advisory Committee to perform its duties under this subsection."

Senator YOUNG. These bills all have to do with Durum, special type of wheat, which has been in short supply during much of the last 5-year period due to hazards of production, and so forth.

We are very happy to have as our first witnesses this morning, Senator Murray and Congressman Anderson of Montana.

Senator Murray, you may proceed.

STATEMENT OF HON. JAMES E. MURRAY, A U.S. SENATOR FROM THE STATE OF MONTANA

Senator MURRAY. Mr. Chairman, Montana wheatgrowers have frequently produced Durum wheat to help meet deficits in our domestic supply. They will be pleased to have an opportunity to do so again, but Durum is not so certain a crop as other varieties of wheat in our State and few, if any of our farmers, would want to put their entire wheat acreage allotment in the crop. Consequently, any bill to require that bonus acreage be limited to farmers willing to plant their whole allotment to Durum would be little used in our State.

Fortunately, Montana has a delegate to Congress who has raised Durum wheat in our State. He is a man who really knows the wheat business and can best give you our views on Durum legislation.

It is a real privilege to present to you, in behalf of our Montana delegation, the Honorable LeRoy Anderson, Members of the United States House of Representatives, a wheat farmer from Conrad, Mont.

Senator YOUNG. We are very happy to have you here, Congressman Anderson, and I know from your past testimony before this committee that you know the farming and the wheat business.

STATEMENT OF HON. LeROY H. ANDERSON, REPRESENTATIVE IN CONGRESS FROM THE SECOND DISTRICT OF THE STATE OF MONTANA

Mr. ANDERSON. Thank you, Mr. Chairman, and thank you, Senator Murray, for your very fine introduction.

I want to first express my appreciation to the Senate Agriculture Committee for this opportunity to bring before you the situation with respect to the Durum wheat bills, because there is a very short period left before we must take action if it is going to have any influence on the 1959 crop.

May I say that in addition to speaking for Senator Murray, as he has indicated, I am authorized also to represent the views of Montana's junior Senator, Mike Mansfield, and of the other Congressman from Montana, Lee Metcalf.

As Senator Murray has indicated, I am a farmer and a Durum grower, and as you, Mr. Chairman, will remember, you and I co-authored bills in the 1957 session, which provided an incentive for increased Durum production in that year, that measure that has made it possible for the macaroni and the Durum people to get through the current otherwise severe shortage in the availability of Durum grain.

Senator YOUNG. If it had not been for that legislation, Durum production would have been far below what it was.

Mr. ANDERSON. Durum production would have been way down and would have been so low that our present fine situation with respect to grind and disappearance of Durum just simply could not have developed. That 1957 bill, Mr. Chairman, which was your bill originally and which I was happy to join you with in the House, was responsible for a very happy situation and may I remind you that the Department of Agriculture opposed us very strongly.

I think perhaps in the light of hindsight, they might be willing to agree that this great committee was correct in its decision in 1957.

This year, we have before us two bills and if I might, Mr. Chairman, I would like to refer to the two bills with which I am concerned.

Senator YOUNG. Yes.

Mr. ANDERSON. I would like to refer to S. 1208, by our Senator, Mr. Murray, and S. 1282, by yourself, Mr. Chairman, and other distinguished Members of the Senate. S. 1208 is identical to a bill which I have introduced in the House and which is not contradictory in any way to the legislation which you and others have introduced in S. 1282. S. 1282 could not possibly be made operative in time to meet the current 1959 crop emergency and S. 1208, Senator Murray's bill is intended to be effective in 1959 only.

Senator YOUNG. Here is Senator Johnston.

Mr. ANDERSON. I am LeRoy Anderson, Congressman from the eastern district of Montana, Senator Johnston.

Senator JOHNSTON (presiding). We are glad to have you with us.

Mr. ANDERSON. I am just pointing out, Mr. Chairman, the two major bills which are before your committee are not in any way con-

tradictory but are complimentary. Senator Murray's bill, S. 1208, provides action that is essential this year, if we are going to meet the current emergency in the Durum wheat situation, and S. 1282, Mr. Young's bill, would provide a long term and permanent solution to the problem so that we would not have to be coming before this committee every year, having the Congress make annual decisions.

Mr. Young's bill provides that these decisions shall be made by the Department of Agriculture, and gives them authority, which they do not now have, to provide incentives to the growing of Durum.

Senator YOUNG. Stated correctly, it could not be effective for this year's crop and is intended for next year and the following year.

Mr. ANDERSON. Senator Murray's bill will operate to meet the emergency which presently exists and which will get worse unless we have incentive legislation to produce Durum in the current year.

I am going to direct most of my remarks to the immediate needs, the present situation, and the situation in 1959 and so may I summarize the position of the Montana delegation on Mr. Young's bill in saying that we go along with the principles and the aims of that bill. We do take minor exception to one section of the bill and major exception to a second section. If I may get those two points out of the way, first, we don't see any particular point in setting up an advisory committee. We have no strong objection to it.

I understand that the Department of Agriculture representative will be present to indicate whether or not they favor it. We would not take any strong exception to the setting up of an advisory committee, but we do feel that the vital part of Senator Young's bill is the authorization to the Secretary to provide these incentive acres that we in Congress presently must provide by law. That is the vital part that we do favor.

We don't see a necessity for an advisory committee because people in the Department are close to the problem and we feel that they could call in such advisers as they wanted from the field; nevertheless, I must admit it has a point. It would provide a sounding board for the industry and for the growers and from that viewpoint, as I say, the Montana delegation does not take any strong exception to an advisory board although we would not include that.

Senator YOUNG. Our major reason for establishing the committee was to provide the Secretary of Agriculture, no matter who he may be, with more accurate information from the industry. Durum is a very special crop, as you know. It is all produced, with the exception of a little in California, all in the spring wheat area, about 85 percent in North Dakota. I found through experience that not many Secretaries of Agriculture know much about Durum. I do not believe many Members of Congress know anything about Durum until the shortage of 4 years ago and the subsequent legislation. For that reason, we thought the Secretary would be better advised if he had an advisory committee of people who knew the business, farmers and industry men; it could be very helpful to him.

Mr. ANDERSON. As I indicated, we do not feel that is particularly necessary, but we realize it has its points and we have no strong feelings on whether or not that is included. However, there is one point in connection with your bill to which we must take very strong exception and that is on page 2, line 12, which provides that in effect

the incentives for the production of Durum shall go only to those who will raise Durum wheat exclusively.

Now, we can see no reason for restricting the benefits of this legislation to that limited class of growers. I would point out that in all of the legislation that has been passed in previous years and all of the legislation currently before this committee, the incentives are restricted to those areas which are traditional Durum producers and it seems to me that in going that far, we are going as far as we should go in limiting the benefits of this legislation.

We should not endeavor to force further controls on the farmer and say that he must plant all of his wheat acreage to Durum, if he is going to get any of the benefits from this legislation. In my opinion—I made this comparison for the House committee yesterday—there is no more reason for saying that these incentives should go only to the man who will plant just Durum than there would be for saying it should go only to baldheaded Durum growers. Senator Young perhaps would agree to incentives for Durum growers of Norwegian ancestry. I am sure North Dakota and Montana could get along very well if incentives were restricted to Durum growers who were of Norwegian ancestry. There might be others that would complain. I assure the gentleman from North Dakota that most of the other areas and certainly the farmers of my area, would resist violently any legislation which required them to plant all of their wheat allotment to Durum in order to avail themselves of the incentives of the legislation.

Senator JOHNSTON. Would this have any tendency though to build up the surplus that we already have in wheat if every wheatgrower had that right?

Senator YOUNG. I think it would over the long pull. The major reason for that provision is to keep the Durum wheat production with farmers who want to be Durum wheat producers and they are scattered over the whole area of spring wheat production. Too, I think Congressman Anderson, as a farmer, will recognize when a farmer tries to raise Spring wheat and Durum both, he has a very difficult time in keeping them from getting mixed. He will raise a much better quality of Durum if he doesn't have any hard wheat on his farm at all.

I used to raise quite a little Durum and hard wheat, but my Durum always had some hard wheat in it. The fellow who really raises good Durum is the one who specializes and does not have Spring wheat on his farm.

Mr. ANDERSON. That is a matter of individual judgment. In our area, we have substantially larger farms than you have in North Dakota and our farms may be widely scattered and a given farmer may well have a quarter section or half section that may be isolated insofar as the operation is concerned and is essentially a separate farm. He may have a wheat allotment which covers areas in different townships but this is treated as a single farm in setting up his allotment and under the provisions of line 12, page 2, he could not avail himself of this incentive, even on the isolated acreage.

Senator JOHNSTON. The Durum wheatfield, when you are going to grow other wheat, would have to be some distance apart to keep from mixing it.

Mr. ANDERSON. This is an operational problem and one of the many hazards involved in Durum, but that can be settled by the people there on the ground. That is not a problem which either we or the legislation should be concerned with.

Senator YOUNG. The mixing comes about in your granaries and combines and some volunteering, that is, wheat that the following year from seed left in the ground.

Senator JOHNSTON. I know and when you do that, it mixes too. Of course, it is going to be hard to keep from getting it mixed regardless of whether you grow it all on one farm or not.

Mr. ANDERSON. It is a problem, but I regard it as totally irrelevant to the main issues in point here. The solution to that problem is a matter of judgment and if a farmer can plant half his land to Durum and produce good clean seed, he should have that right. This is a restriction which is without, in my opinion, any real justification. Having said that, I think perhaps it would be best to go on to my general discussion of the need for incentive legislation, because this is a small detail. The important thing is that we get some legislation that will correct the present serious situation.

The only thought I want to leave at this point is that Senator Murray's bill is one which will take care of the situation in 1959 and Senator Young's bill is a bill which will provide a means by which the Secretary of Agriculture may hereafter take care of the situation without coming in, as we have been coming in before your committee, each year and having your committee decide just what the incentive should be. I do not regard the two bills as contradictory, but as supplementary, complementing each other.

In the House, where we had the hearings yesterday, the chairman, Mr. Cooley, indicated that if we could get together and set up a composite bill in which the provisions of Senator Murray's bill would be operative in 1959, and then Senator Young's bill took over at the conclusion of that time, he was inclined at this time to look favorably on such a composite bill.

The points that I think need to be made, by myself and by the other witnesses who are to be here today, are that Durum is a specialty crop, a very difficult crop to grow, and it is one which is in short supply. Although it is called a wheat, it is not interchangeable with other wheats, excepting on a very limited basis. There is presently a shortage in carryover supplies, and there is an imminent dire shortage in supplies that are going to actually be needed for milling.

Now, the bill which Senator Murray has before you provides the incentive in 1959, that for each acre of the wheat allotment that is planted in Durum, an additional incentive allotment of one-half acre shall be given up to a total of 60 acres outside of the producer's allotment. I think this is responsive to the question that the chairman put a minute ago as to whether or not this would encourage additional growing of other wheat. It becomes evident here that in order to plant, to get this incentive, they must take wheat out of their other allotment and so the net result of all of this legislation, and of the increase in Durum consumption and the increased marketing and consumption of macaroni, has been that acres have actually been diverted from those wheats that are in surplus supply to the production of Durum, which has never been in surplus supply, excepting temporarily the

carryover from one year to the next, which has never been surplus unreasonably high.

May I point out next that Senator Murray's bill, the bill I have just described, is almost identical to the 1956 and 1957 bills passed through this distinguished committee and the House and Senate and signed into law, excepting that the incentive is smaller. It is smaller because we feel that we can get the required production with a smaller incentive of only a half acre of bonus as provided in Senator Murray's bill, in contrast to a full acre, which was in the 1957 bill, and in contrast with 3 acres, which was in the 1956 bill.

Now, I believe every witness to be heard today, and you will hear from the macaroni industry, the milling industry, and from the growers, will support me in the next statement that I am going to make. I think this is the most important single fact to be brought to the attention of this committee, "There will be a shortage of Durum wheat this year unless acreage is substantially increased." That is the reason that we must have this legislation and that it needs to become law within the next 30 days if it is to be effective for this planting season.

May I refresh your minds on the history of this legislation and, in connection therewith, bring out the facts which are pertinent at this time. First, I would like to develop the acreage situation. This chart [indicating] shows in the top graph Durum plantings and on the bottom graph Durum production and use. This is in millions of acres, and the bottom of the graph is in millions of bushels. It is carried by years, and for each year the acreage is shown above the production and use. It starts in 1954 and it is projected forward to 1961.

Senator JOHNSTON. We are certainly glad to have Senator Murray here today, but he tells us he will have to leave at this time. We are certainly glad to have had your statement and we will look thoroughly into this matter.

Senator MURRAY. I have to go to the Labor Committee. We are having a hearing over there on labor legislation and it is necessary for me to be there.

Senator JOHNSTON. I want you there, too. I want you to do the right thing.

Mr. ANDERSON. May I express my appreciation to our distinguished Senator for his kind introduction and I trust, Senator Murray, I will be able to ably present your case on this bill.

Senator MURRAY. You are a Durum wheat farmer and you know more than any of us here because you have had experience.

Mr. ANDERSON. Thank you, sir.

Senator JOHNSTON. Please proceed. I am sorry for the interruption.

Mr. ANDERSON. That is quite all right, sir.

Prior to the year 1954, this graph would have generally run pretty well along near the top of all of these charts because we used to produce a lot of Durum, up around 40 million, 50 million bushels at some times; 30 or 40 million was a pretty regular production, and we used to export substantial amounts of macaroni and Durum. But the time at which I have opened these charts is about the time rust hit North Dakota. I have shown the production in 1953 here as 13 million and the acreage that year was about 1½ million acres.

Let us start with 1954 when the acreage had dropped to 1.3 million acres of Durum and we find that the production, instead of being

the 30 million or 40 million bushels that are needed to take care of annual disappearance, dropped to 13 million bushels, only about a third of the requirements in 1953. Then production went almost to the vanishing point. Only 5 million bushels were produced in 1954.

Senator MUNDT. What do you consider average per acre yield?

Mr. ANDERSON. Over the years it has run about 13 or 14 bushels to the acre. In 1957, it was 17 bushels and, as I will point out, in the year just past, we were only saved from a real catastrophe by the fact that it was 23, almost double the average yield.

Senator MUNDT. You say 13 or 14.

Mr. ANDERSON. With the newer varieties, maybe 15 or 16 bushels to the acre. You will see that with the low acreage and with the impact of rust, there almost was no Durum industry around 1953, 1954, and 1955. That is the time that Senator Young came in with the first Durum incentive bill and the effectiveness of this legislation is indicated in the plantings for that year when farmers almost doubled their plantings.

This shows that the basic theory behind this incentive of providing additional allotment acres works and the evidence that it works is clearly evident in results. When Senator Young's bill in 1956 was passed, the acreage went up to 2.4 millions of acres, almost 2½ million acres. That it also works in production is indicated by the production line here [indicating] which shows Durum harvested that year went up to 38.8 million bushels for the first time since 1951.

Senator YOUNG. We had one of the biggest crops in history and there really is no surplus of Durum now.

Mr. ANDERSON. At the present moment, we are facing a dire shortage and, as you will see when we get along this graph, it is very serious. Now, that 1956 legislation produced adequate supplies of Durum for the millers to start going back to the use of Durum instead of substitutes. We must have a high percentage of Durum if we are going to have good macaroni and Semolina products.

Senator JOHNSTON. Did you have any trouble in disposing of it in 1957 when you produced about 40 million bushels?

Mr. ANDERSON. May I hold the answer to that for just a minute, sir, because that will be developed. I also have a figure here that indicates the disappearance and that is the most hopeful and most important line on this whole graph. It is outlined here in black.

Senator JOHNSTON. I want you to explain too, when you get there, whether or not the large production in 1957 had anything to do with the drop in production for the following years.

Mr. ANDERSON. Yes, sir.

Senator JOHNSTON. I think that would be helpful. You see my point.

Mr. ANDERSON. In just a minute we will get to that.

Senator JOHNSTON. Go ahead.

Mr. ANDERSON. This consumption figure provides the basis for the answer to your question, sir. This black line [indicating] is the most important line on this graph. It is the grind of Durum for macaroni, Semolina flour, and the other products. It shows that with the impact of the rust, the grind, which had been up around 25 million to 30 million bushels a year, had dropped at the end of 1954 to 12 million bushels and was down to only about 5 million bushels of grind

in 1955 with total disappearance of 8 million bushels. That is the vanishing point; that is a marginal operation.

At the time that we started Senator Young's program in 1956, we might have hoped that the consumption figure would have followed the production figure and that as soon as the Durum became available, that it would have been immediately converted into macaroni, but it can't operate quite that quickly. Mills must be converted, the buying habits of the public must be converted, and they must be sold on the fact that here again is the same superior product that they knew back in the 1940's. So the grind figure rises slowly. This is the essential consumption figure. But, you can see how steadily it has risen by 5 or 6 million bushels every year since that initial incentive bill provided adequate supplies of Durum. It went up until the current year's grind is about 27 million bushels.

Now, to respond to your question, the first year—

Senator MUNDT. What happened to your total consumption figure? It does not seem to follow the total grind figure upward at that one juncture.

Mr. ANDERSON. At this point? [Indicating.]

Senator MUNDT. Jumped to 10 million.

Mr. ANDERSON. This disappearance, sir? [Indicating.]

Senator MUNDT. Yes.

Mr. ANDERSON. Now, as I said, the consumption of Durum did not immediately catch up with production for the reason that I have indicated. You cannot convert immediately to full consumption of this greatly expanded production and so this top black line, which shows the disappearance and to which you are referring, sir, takes the jump there of about 10 million bushels, and this 10 million bushels represents an export under the export program, an export of Durum wheat. 1957 is the only year in which there was any substantial export.

In this year [indicating] the production under the 3-for-1 incentive jumped more, I am sure, than Senator Young anticipated, more than the millers were able to use, so that this year [indicating] there was an export subsidy which disposed of some 10 million bushels of this approximately 40 million bushels.

Senator YOUNG. Congressman Anderson, when Durum was in very short supply, they naturally had to blend with hardy spring wheat for the macaroni industry and other products, and I think that is one of the reasons why Durum—

Mr. ANDERSON. But it takes a few years to carry through the changeover. Yes, sir; I thank the Senator.

We have come now to the point in 1957 when we had the second Durum incentive bill, and again the acreage was approximately the same, 2.3 million acres. We produced almost 40 million bushels that year, and yet may I point out that never since this program back in 1957 have we had any substantial export. This entire 40 million bushels produced in that year under this incentive program has not only been absorbed, but now we are down to rockbottom on our stocks, as indicated in the yellow line here [indicating]. Our stocks did take a jump at the end of 1957, but because of the low production of 1958, our stocks are now down to a rockbottom level. The best figure I have from the trade indicates that there will only be, at the end of this year on July 1, about 6 or 7 million bushels available and that is just barely enough to fill up the pipelines.

You will see that in 1958, then, the only year we have not had an incentive program, acreage dropped from 2.3 million to 0.8 million, or 800,000 acres. That indicates the impact of the incentive program. Last year is the only year we have not had incentive legislation, and you can see the acreage was dropped, cut almost in three and, of course, the production line takes the same kind of a drop. We don't want to see this black line, the consumption line, fall down. We want to see that continue to go on up, and if it is going to go up, we are going to have to provide additional incentive this year.

Now our goals. This will be borne out further by the witnesses of the industry later, our minimum goal is that we should have 1½ million acres of Durum this year, approximately twice what we had last year and at least 1,800,000 acres the following year. I stress the fact that these are minimum acreages that we must have if we are going to continue to sustain the macaroni industry and we can only get them by the passage in this year of Senator Murray's bill and for the following year, either by coming back to your committee again or if we make a one-package deal this year and take care of the 1961 needs by the passage of Senator Young's bill at this time.

Now, I think it is important to point out the dire results that will accrue if we do not pass this legislation within the next 30 days or so, to make it effective for this year's crop. You will see that the present stocks are down to rockbottom, that production last year fell below the actual grind and is about 5 or 6 million bushels below the grind, about 10 million bushels below disappearance last year, and at least 10 million bushels below disappearance. It means that we have no cushion this year; we had no big cushion to carry over and we have no cushion and unless this Congress provides the incentive in this legislation, we are going to ruin the present advantageous position that has been built up in the Durum, Semolina, and macaroni industries which have been expanding constantly over the past years.

Failure to act and act promptly will have dire, as far as the industries themselves are concerned catastrophic, results upon the industry which has been built up, as you can see, so slowly and so carefully under the legislation which this committee has year by year passed to develop this segment of agricultural industry.

Now, may I emphasize one fact, gentlemen, in summarizing my statement. As a result of the action of this great committee in 1956 and 1957, we have built up a fine Durum industry in America and we must act and act promptly in order to save that industry from very serious consequences in the current year. We must support the industry now. We must have legislation, if at all possible, within the next 30 days.

I thank the committee and I will attempt to answer any questions.

Senator JOHNSTON. What caused the great production in 1958 and the low acreage?

Mr. ANDERSON. The high yield was the result of favorable weather. You will have growers, sir, who will testify more in detail as to the hazards involved which accounts for the drop in plantings. You will remember that Durum is a class of wheat and that it is subject to all of the restrictions of the wheat allotment and that any acreage planted to Durum must be taken out of the wheat allotment. It is a very risky crop to plant and it is subject to hazards not only of

rust, but of hail and of wind, which shatter it much more severely than other wheats. It is subject to very severe loss in the fall and I am sure this will be gone into much more fully later, but the essential point is that it is a high risk crop and it is a specialty crop and this was a free choice that was made in 1958. If they could have made as much money by raising Durum, they would have continued to put in 2.3 acres, and the low acreage of 800,000 acres proves that it takes incentive legislation to bring up the production.

The point of the matter is that you cannot make as much money, year in and year out, raising Durum as you can raising other wheats, and so farmers will put their allotment into whatever type of wheat that will give them the most return—that is the only way we can operate.

Senator JOHNSTON. So summing up what you have had to say in just a general way, your idea is that you have to give some incentive to get the people to grow this Durum wheat because it is such a risk crop; is that right?

Mr. ANDERSON. Yes, sir.

Senator JOHNSTON. And if you leave it to the ordinary wheatgrowers, they can probably make more money out of other wheat and that being so, they are not going to grow Durum unless you give them some incentive in this crop?

Mr. ANDERSON. That is right, sir, and that thought has many implications.

Senator JOHNSTON. A further conclusion, from what you have had to say is this, that you believe that if they grow the Durum wheat, which is not always in competition with the use of other wheat in the field, that probably rather than increase the surplus, would reduce the surplus?

Mr. ANDERSON. Yes, sir; it converts the production of those wheats that are in surplus supply to the production of Durum which is not in surplus because all of their allotment acres under this legislation must come out of their wheat allotment and they will reduce their production of those wheats that are in surplus supply.

Senator JOHNSTON. Another general conclusion from your talk, you do not oppose Senator Young's bill?

Mr. ANDERSON. I strongly support the bill's basic principles.

Senator JOHNSTON. To go one step further, you also support in a general way Senator Murray's bill to take care of the immediate situation?

Mr. ANDERSON. I support, precisely and in every detail the Murray bill, which is exactly what we have done in Senator Young's two previous bills in 1956 and 1957 to take care of the problem legislatively. The Montana delegation supports every part of the Murray bill and all of the basic philosophy of the Young bill. We only take exception to that part which would in effect make the production of this Durum a monopoly of a small group in a small area and would largely shut out the growers in my State from participating.

Senator JOHNSTON. Are there any questions?

Senator YOUNG. You have sized it up pretty well, Mr. Chairman. You would make a good wheat farmer.

Senator JOHNSTON. I am not claiming to be any wheatgrower now. I do grow a little on the side sometimes.

Mr. ANDERSON. It has been a pleasure to appear before this distinguished committee—our neighbor, Senator Langer from North Dakota, whose area has grown most of the Durum that has ever been grown in the United States, and Senator Young, who has been a leader in this legislation that has salvaged this industry, and you, Mr. Chairman, whom I have known so well and so favorably for so many years. The other distinguished members of this committee have done me a real honor in permitting me to present the case for the Montana Durum growers and I trust I have presented it fairly.

Senator JOHNSTON. We appreciate you coming before us and explaining in such an attitude that we can all understand it.

I see we have Senator Langer here. Did you want to make a statement at this time?

Senator LANGER. No. I wanted to hear the three experts from North Dakota. Of course, I am backing up Senator Young's bill to which I am a cosponsor. You might say I am very familiar with the wheat Durum situation through the years in North Dakota because we raise the most of any State in the Union, as you know.

You know, there are whole sections of Durum wheat that never get ripe. You talk about the risk, that is absolutely true. You see the beautiful fields, look like 40, 50, 60 acres of crop and yet the heads never get ripe. You cut it and thrash it, if you want to thrash it, and you get absolutely nothing out of it all. I have seen those fields plowed over out there, Mr. Chairman, and it is a sad situation. There is a great risk involved in raising Durum.

Senator Young's bill, to my mind, really would help the Durum raisers of America terrifically, but I wanted to hear these three North Dakota representatives because they are the experts and know all about it.

Senator JOHNSTON. Fine.

Senator YOUNG. Mr. Chairman, if I could, I would like to introduce the next witness.

The next witness will be Mr. Richard Crockett, Durum farmer from Langdon, N. Dak., and president of the Durum Growers Association.

After Mr. Crockett testifies, he will then introduce the other witnesses.

Senator JOHNSTON. From the information, I will call and get permission for this committee to run on. We thought we would have until 12 o'clock today, but the Senate is meeting at 11, you know, so we will call over and get permission and see if they can't arrange it. I don't think we will have any opposition to it, but we will know when we get to 11, we will find out.

You may proceed, Mr. Crockett.

STATEMENT OF RICHARD CROCKETT, PRESIDENT, DURUM GROWERS ASSOCIATION, LANGDON, N. DAK.

Mr. CROCKETT. Mr. Chairman.

Senator JOHNSTON. You are not related to Dave, are you?

Senator LANGER. I may say Mr. Crockett's brother was Speaker of the House of Representatives of North Dakota.

Mr. CROCKETT. They say a man's face and a man's relatives are two things he cannot live down.

I think perhaps my ancestor, if he was from Tennessee, who wrestled the bear at three, probably didn't have any more trepidations than I have this morning appearing before this committee.

Senator JOHNSTON. Well, you just feel at home.

Senator YOUNG. Off the record.

(Discussion off the record.)

Mr. CROCKETT. Mr. Chairman, members of the Senate Committee on Agriculture and Forestry, I am a North Dakota Durum wheat farmer. My people have been raising wheat in North Dakota for three generations. My grandfather homesteaded in North Dakota in 1887, that is 2 years before North Dakota became a State. He hauled his first wheat to Pembina, N. Dak., a distance of some 44 miles by oxen.

It perhaps took me a shorter period of time to come to Washington to make this appearance before your committee, than it did for him to deliver his first load of wheat to his market point.

We feel very fortunate in being able to present to your committee today testimony from all segments of the Durum industry. I refer to ourselves as growers to the Durum miller or processor of the Amber wheat and to the macaroni manufacturer. We are happy today to be able to present testimony from all three segments of the industry in behalf of Senate bill 1282 concerning Durum wheat.

Though classed as wheat, Durum is a specialty crop. It is milled almost entirely into Semolina flour and used in the manufacture of macaroni and spaghetti products. By reason of climatic and soil conditions, the production of this crop has been traditionally limited to the upper Midwestern States of North Dakota, South Dakota, Minnesota, and Montana, and certain areas of California.

From a production standpoint, Durum is more expensive to grow than other wheats and far more subject to losses from natural production hazards. As a specialty crop, grown to meet a discriminating market, quality is of paramount importance. Market premiums and discounts are wide in range on Amber Durum and reflect this need for quality production.

When viewed in the overall wheat picture, Durum enjoys a unique position. In contrast with other classes of wheat where per capita consumption is declining, the per capita consumption of macaroni products is expanding rapidly. This fact, coupled with our rapidly growing population foretells a bright future for the commodity.

At the present time, annual needs for Durum wheat by the industry approximate 30 million bushels.

Twenty-four to twenty-five million bushels are ground annually into Semolina flour.

The puffers, the people who make puffed wheat for your breakfast table, require an additional million bushels.

Seed and feed requirements total 4 to 5 million bushels.

These are minimum figures. They make no allowance for any carry-over to insure against losses from natural hazards.

In 1958, the total United States production of Durum wheat totaled slightly over 22 million bushels. This indicates an undersupply of nearly 8 million bushels or percentage-wise, it is 30 percent of what production should have been.

This picture is in sharp contrast with the general wheat situation. Yet this specialized crop, with its rapidly expanding usage, is being subjected to the same acreage restrictions in production controls that cover all classes of wheat.

The basic premise in our testimony here today will be to provide information that the people who grow Durum wheat should be allowed some voice in governing the practices they must use in producing enough of this commodity to meet the industry's needs. In order to do this, I would first like to introduce a young man from North Dakota by the name of Al Keating.

Al is a director of commodities and research for the North Dakota Farm Bureau, and he will give you some production figures that will show the recent trends in Durum production in North Dakota, leading Durum producing area in the United States.

Senator YOUNG. I believe Al should come up.

STATEMENT OF AL KEATING, DIRECTOR OF COMMODITIES AND RESEARCH, NORTH DAKOTA FARM BUREAU, FARGO, N. DAK.

Mr. KEATING. Mr. Chairman, members of the committee, my name is Al Keating, director of commodities and research for the North Dakota Farm Bureau, Fargo, N. Dak.

The North Dakota Farm Bureau has long supported the needs of Durum growers in North Dakota, a State which traditionally has produced 80 to 90 percent of the production of Amber Durum, as Senator Young has mentioned, for manufacturing purposes in the United States. Of the traditional Durum States, the State is a natural home for Amber Durum wheat production due to climatic conditions favorable to the production of this crop in our State.

Senator JOHNSTON. How many million bushels did you produce last year?

Mr. KEATING. We produced less than—

Mr. CROCKETT. We produced a little over 19 million.

Senator JOHNSTON. You produced about 10 million and 20 million was produced?

Mr. KEATING. We produced 86 percent of the total production in the United States last year.

Senator JOHNSTON. I wanted to get this in bushels so this sets out plain. It shows that North Dakota is very much interested in this particular question.

Senator AIKEN. You were producing more last year—that depends on the weather, but how is production compared to 10 years ago.

Mr. KEATING. Production on a 10-year average, as these charts will bear out, from 1946 to 1957, show that we produced around 25 million bushels of Durum wheat.

Senator AIKEN. Of Durum wheat.

Mr. KEATING. Of Durum wheat over the long run, over the 10-year period.

Senator JOHNSTON. Over the 10-year period, it is about the same percentage, it doesn't vary very much.

Mr. KEATING. No, we have our ups and downs, and I would rather refer that question to my charts, if I could. The charts show some bad years and some good.

Senator JOHNSTON. Maybe you will cover that.

Senator AIKEN. There were a couple years of short supply.

Mr. CROCKETT. They will be shown, very clearly.

Senator AIKEN. Will the charts show to what extent the use of Hard Spring wheat by the spaghetti people has permanently cut into the use of Durum.

Mr. CROCKETT. That will appear in our testimony.

Senator YOUNG. It is working the other way now.

Senator AIKEN. It is.

Senator YOUNG. There are not many of the manufacturers that are blending now.

Senator AIKEN. Sometimes when they go to using a substitute, they find how they can use it, and they never go back to the original product.

Senator JOHNSTON. I think you find in this particular substitute, it makes a very much inferior product, so much so, until it has a tendency, when we try to use it, and try to, as quick as they can, they go back to Durum.

Senator AIKEN. Like substitutes for North Caroline rice.

Senator JOHNSTON. Yes, sir.

Mr. CROCKETT. That will be shown.

Senator AIKEN. I am asking the questions now because I can't stay through the hearings, but I do want to tell you that I am willing to try to work out whatever is necessary to keep your Durum business.

Mr. CROCKETT. The next witness will go into it.

Senator YOUNG. You were very helpful to us before; we appreciate it.

Mr. KEATING. Senator Langer has brought out a point concerning the difference between Amber Durum and just plain Durum. There are two classes of Durum. We grow Amber Durum, which is used in the macaroni products. There is a Red Durum which is a feed wheat, which is not used in the production of macaroni, but which is used mostly for feed.

Senator AIKEN. It is?

Mr. KEATING. Concerning the proposed Durum bill, we would like to state that a survey was conducted through our county farm bureaus in North Dakota recently, which indicated that the type of incentive program proposed in Senate bill 1282 is desirable and needed to maintain an adequate supply of Amber Durum in 1960 to meet an ever-increasing per capita consumption and total demand for Durum products. However, and we will be frank about it, two counties reporting believed that price differentials should serve as an incentive to produce what the market demands. Most Durum growers, however, feel that the price differential, between Amber Durum and Hard Red Spring wheat has not, and will not be enough to overcome the 30 percent estimated greater risk in growing Amber Durum over Hard Red Spring wheat.

Senator JOHNSTON. In other words, you think that this is greatly under the supply and demand, this particular wheat, you ought to treat it like they do wool?

Mr. KEATING. No; I don't believe I said that, sir.

Senator JOHNSTON. In other words, you think we have to give it some special treatment?

Mr. KEATING. Oh, yes, sir.

Senator JOHNSTON. In supports, you think they ought to have different supports?

Mr. KEATING. I don't believe so; I think the answer on this is additional acreage and not additional type of support. What I was getting at—

Senator JOHNSTON. Go ahead.

Mr. KEATING. In this point that I made, there is a spread between the price of Amber Durum at the present time, around 20 cents a bushel over and above Hard Red Spring wheat, and these particular counties who reported that the incentive might do the job, felt that if the supply would go down to a point where the price incentive, the difference between the price of Amber Durum and Hard Red Spring would be greater, then more people would shift to production of Amber Durum.

Senator JOHNSTON. That sounds right.

Senator AIKEN. Now do these California counties produce Amber Durum, or Red Durum?

Mr. CROCKETT. Amber.

Senator YOUNG. Only one county, George, a very small area.

Senator AIKEN. It would be well to insert the word "Amber" in the bill giving them the right to produce unlimited or additional Durum wheat so you wouldn't be encouraging overproduction of feed, perhaps.

Senator YOUNG. It certainly wouldn't hurt anything.

Senator JOHNSTON. I don't think that would hurt at all.

Mr. KEATING. Continuing, 40 percent of the North Dakota farmers' income comes from producing wheat, primarily the Hard Red Spring and the Amber Durum variety, and as the present Government program operates, North Dakota continues and continues to lose wheat acreage allotments to other areas.

North Dakota growers, as you know, have lost 1 million wheat allotment acres since 1939 and since the Government program went into effect in 1932, they have lost over 3 million acres of wheat.

North Dakota producers are gradually realizing what has been happening under the present program and should it become necessary for producers to reduce their wheat allotments further in North Dakota, and we certainly hope that this does not become necessary, then Durum offers these traditional growers one alternative crop which they could grow to replace some of their lost hard wheat acres.

Now, I have a few charts here that I would like to refer to, with your permission.

Senator JOHNSTON. Proceed as you see fit.

Mr. KEATING. Just very briefly, this shows the State of North Dakota and the acres of Durum wheat in our State. This shows the Durum production area in North Dakota, and the blue counties here produced in 1957 over 1.5 million bushels of Durum wheat, Amber Durum wheat in each county.

The red counties, from 1 to 1.5 million bushels, and these others, I guess you would call it orange areas, from one-half to 1 million bushels each per county. That is the Durum area. The white areas produced less than one-half million bushels of Durum all the way down.

Senator JOHNSTON. Most of the production in the North—

Mr. KEATING. Most of it in North Dakota, what we call traditional triangle, no matter what happens to the Durum program, incentives and——

Senator JOHNSTON. Does Canada produce any?

Mr. KEATING. They are now, they are producing quite a bit of Durum, as I understand.

Senator YOUNG. Mr. Chairman, this would be a good place to bring out that North Dakota generally produces 80 to 85 percent of the Durum grown. There are areas that don't do as good a job of production. You get better quality and better yields in that particular area up there they have marked off. That is one of the reasons why it can't be grown successfully at all in most States, and even if they did the quality would be very poor.

Senator LANGER. This is the best illustration, Tokay grapes. You can raise them around Lodi, Calif., and no other place in California; same way with this Durum wheat, Mr. Chairman.

Mr. KEATING. Due to the climatic conditions of that particular area.

Senator JOHNSTON. Same way with our peaches.

Senator YOUNG. That is why one county in California, the Tulelake area, about 4,000 feet above sea level in northern California can grow Durum. They have a climate much the same as this northern area of North Dakota, they are subject to a frost there almost any month of the year, too.

Mr. KEATING. Just some brief production figures on North Dakota, this 10-year average which we referred to here, we have listed two 10-year averages; one is a little more recent than the other, and you can notice that our planted acreage in Durum in North Dakota, has been around 2.2 million acres and an average yield of around 12 bushels to the acre.

Production ranges from 23 to 25 million bushels.

Speaking of the bad years, during the rust period, this was perhaps the worst year on record in Durum production in North Dakota, 1954, and there were several years practically as bad. We planted 1.5 million acres of Amber Durum wheat—an average yield of 3.5 bushels to the acre. Production dropped way down to 4.2 million bushels in that particular year. This is the year in which we began to develop an incentive program to provide the Amber Durum necessary.

Senator JOHNSTON. Do you have any idea how much they planted, how many acres, and tell what the production was in 1955?

Mr. KEATING. We have those figures——

Senator JOHNSTON. I have a reason for asking that question, because after the bad year I wanted to see what the complex and attitude of the farmers was.

Senator LANGER. We had 3 bad years in succession, Mr. Chairman.

Mr. ROBERT GREEN. I have that information.

Senator LANGER. We had 3 bad years in succession.

Senator JOHNSTON. He has the figures. This is Mr. Green. We will get that later then.

(The figures follow:)

Durum wheat—Acreage and production, United States

	Planted acres (in millions)	Harvest acres (in millions)	Yield per acre (in bushels)	Bushels produced (in millions)	Percent produced in North Dakota
1948-57.....	2.5	2.4	12.5	29.6	78
Bad year: 1954.....	1.7	1.3	4.2	5.6	76
Good year: 1928.....	6.9	6.8	14.1	95.8	79
Recent years:					
1957.....	2.4	2.3	17.4	39.7	67
1958.....	.95	.93	23.8	22.1	86

Durum wheat—Acreage, production, North Dakota

	Planted acres	Harvested acres	Yield per acre harvested	Production
Averages:	<i>Millions</i>	<i>Millions</i>	<i>Bushels</i>	<i>Millions</i>
1946-55.....	2.2	2.1	11.6	25.8
1948-57.....	2.0	1.9	12.1	23.0
Bad year (1954).....	1.5	1.2	3.5	4.2
Good year (1928).....	5.1	5.0	15.0	75.0
Recent years:				
1957.....	1.5	1.5	18.0	26.6
1958.....	.81	.8	24.0	19.2

Mr. KEATING. To indicate one very good year, the best year record, 1928, North Dakota produced 75 million bushels of Durum, so you can see the potential for Durum wheat production in the State. In some of the recent years, which brings out an interesting situation in 1957, under the last incentive program which we had——

Senator JOHNSTON. Now I would like to know, since you brought up 1928, bountiful supply, what happened in the years right following that?

Mr. KEATING. You see what we want to get.

Senator AIKEN. We took the ceiling off, didn't we, right after that bad year of planting?

Mr. KEATING. We will get that.

Senator JOHNSTON. When you go too far either way, you wreck your whole market, you can wreck everything. You can discourage your farmers, too.

Go right ahead.

Mr. KEATING. Would you want me to get those figures? I have them in my briefcase.

You can put them in the record. I don't want to take up the time.

Senator LANGER. Mr. Chairman, it got so bad that we couldn't even get insurance, isn't that right, Senator Young?

Senator YOUNG. Yes, sir. And the Federal Government discontinued——

Senator JOHNSTON. You had no trouble with oversupply?

Mr. KEATING. That is right.

Senator JOHNSTON. That is the main thing.

Senator LANGER. But even the Federal Government wouldn't give crop insurance.

Mr. KEATING. In 1957 we had the incentive program, and even under the incentive program which was a 1-for-1 program under which

if you took 1 acre out of Hard wheat, you got 2 acres of Durum, 1.5 million acres were planted in Durum. The yield jumped considerably and even though we had a reduction in plantings, our supply came up pretty close to the 10-year average in 1957.

But, in 1958, when the incentive program was not in effect, acreage planted dropped practically in half, but the production per acre was phenomenal last year, and perhaps will never happen again.

Senator JOHNSTON. That is something the farmer can't control.

Mr. CROCKETT. I would like to make one statement concerning that. That is the highest per acre yield of Durum that has ever been experienced by the grower, $23\frac{8}{10}$ bushels per acre. It has never been done before, and it certainly won't be done in 1959, because almost the entire Durum growing area in North Dakota has a critical shortage of subsoil moisture. That area didn't have any snow this winter in an area where 2 to 3 feet of snowfall is traditional.

Senator JOHNSTON. Everything had to be perfect to do that, fertilizer, and putting on at the proper time, good yield and rainfall.

Mr. CROCKETT. It was a perfect year.

Senator YOUNG. Mr. Chairman, on top of that and the most important thing, there were some new varieties of Durum wheat developed that withstood the rust, and they came into production in 1956 or 1957.

Mr. CROCKETT. I might mention, Senator, that those new varieties now, Langdon and Ramsey Durum, are once again showing infections of 15-B rust. We do have another new variety, two new varieties, that are being released by North Dakota Agricultural College this spring, but both of those varieties are completely contracted for and will just go to maybe four or five growers in the leading counties this year. They won't be available in commercial quantities to seed any considerable acreage until 1961.

But, back to our present Durum varieties again; there is a possibility that 15-B-3, which is a biotype of 15-B rust, could attack the varieties we have now, so we are not out of the woods on this rust thing even now until we get these new varieties.

Senator YOUNG. If it hadn't been for new varieties, regardless of acreage, you wouldn't have had this production of Durum.

Mr. CROCKETT. Wouldn't have been this close.

Mr. KEATING. You can notice 1958 production was double the average of the 10 years previous to that.

Senator AIKEN. Are you using a little more fertilizer?

Mr. CROCKETT. Yes, sir; we are, sir.

Senator AIKEN. What are you using?

Mr. CROCKETT. We use a combination of phosphate and nitrogen, ratio of 10 to 4.

Senator AIKEN. And that helps a little in resisting the rust, too, doesn't it?

Mr. CROCKETT. It matures the crop 3 to 7 days earlier; it is quite a factor. Durum is a late grower.

Mr. KEATING. My last chart deals with the percentage of the U.S. Durum production by States, and traditionally, you see here that North Dakota in the red has produced from 80 to 90 percent of the total production. In 1956, when the first incentive program went into effect, Montana crept up and produced a little over 40 percent of

the total production under the 2-for-1 incentive program, while North Dakota dropped down slightly. When we went to the 1-for-1 program in 1957, Montana dropped down to 22 percent.

And now, without any program, North Dakota is again drawing 86 percent of the Durum production, which indicates that the area in North Dakota certainly has the climatic conditions conducive to good Durum production.

Are there any other questions?

Senator JOHNSTON. I wonder if in those States where they grow such a small amount, if they found trouble, too, in storage, to store this particular kind of wheat?

Mr. KEATING. Yes, sir; although the storage facilities for Durum and Hard wheat are similar.

Senator JOHNSTON. But they have to be separated.

Mr. KEATING. Yes, sir.

Senator JOHNSTON. That being so, don't you imagine that in these States that grow such a small amount, that they find some trouble in that?

Mr. KEATING. That is a big problem, and one reason why it would be beneficial to the miller and to the manufacturer and to the grower himself, if an individual would grow 100 percent Durum. They wouldn't have this mixing problem. It would increase the price to the producer, to the miller, and to the manufacturers and produce a much higher quality product, in the long run.

Senator JOHNSTON. And if they store it right on the farm; they have troubles sometimes having different places to put different kinds of wheat.

Mr. KEATING. Yes, sir.

Mr. CROCKETT. That is another thing, Senator, about Durum, in answer to your question. Durum is usually stored on the farm. Durum has not traditionally been a problem in CCC stocks. The fact that it sells for margin over Hard wheat and the fact that the farmer often has to provide his own storage until he has a market for it, has kept it out of CCC stocks.

Senator JOHNSTON. You provide, if you grew two kinds of wheat, the Durum and other, you would have to provide separate storage.

Mr. CROCKETT. Yes, sir.

Mr. KEATING. That is all I have. I certainly want to thank you for your time and courtesy.

Senator YOUNG. Mr. Chairman, may I ask this: Would you have those figures on smaller charts, so they could be made a part of the record?

Mr. KEATING. We don't have this one, but we do have the one on—I have another chart here, showing the United States.

Senator JOHNSTON. You can probably make them up for us, and give them to us on a sheet.

Mr. KEATING. Yes, sir.

Senator JOHNSTON. We would like to have them.

Mr. CROCKETT. We would be happy to reproduce them.

Senator YOUNG. I ask they be made a part of the record.

Senator JOHNSTON. That shall be made a part of the record.

(The information is as follows:)

Durum wheat—Acreage, yield, and production, 1919–58, North Dakota

Year	Planted acres	Harvested acres	Yield per acre, har- vested	Production bushels
	<i>Thousands</i>	<i>Thousands</i>	<i>Bushels</i>	<i>Thousands</i>
1919.....		2,994	6.8	20,359
1920.....		3,323	9.2	30,572
1921.....		4,652	8.4	39,077
1922.....		4,062	14.3	58,087
1923.....		2,631	8.3	21,837
1924.....		2,605	16.0	41,680
1925.....		3,074	14.0	43,036
1926.....	3,586	3,443	9.8	33,741
1927.....	4,132	4,132	14.0	57,848
1928.....	5,051	5,000	15.0	75,000
1929.....	3,970	3,850	9.7	37,345
1930.....	3,088	3,042	12.3	37,417
1931.....	2,888	1,977	7.0	13,839
1932.....	3,072	2,867	9.5	27,236
1933.....	2,378	2,093	7.3	15,279
1934.....	1,510	780	7.1	5,538
1935.....	1,858	1,728	10.5	18,144
1936.....	2,683	1,261	5.2	6,557
1937.....	2,350	2,093	11.0	23,023
1938.....	2,844	2,616	11.5	30,084
1939.....	2,560	2,444	10.8	26,395
1940.....	2,662	2,370	10.5	24,885
1941.....	2,050	1,991	16.5	32,852
1942.....	1,742	1,712	20.0	34,240
1943.....	1,794	1,763	17.0	29,971
1944.....	1,848	1,816	14.8	26,877
1945.....	1,829	1,815	16.5	29,948
1946.....	2,268	2,232	14.5	32,364
1947.....	2,722	2,701	15.0	40,515
1948.....	2,940	2,890	14.0	40,460
1949.....	3,293	3,121	11.0	34,331
1950.....	2,470	2,403	13.5	32,440
1951.....	2,174	2,115	13.5	28,552
1952.....	1,957	1,819	11.0	20,009
1953.....	1,879	1,728	7.0	12,096
1954.....	1,522	1,210	3.5	4,235
1955.....	1,005	980	13.0	12,740
1956.....	1,206	1,156	16.0	18,496
1957.....	1,532	1,480	18.0	26,640
1958.....	812	799	24.0	19,176

Source: Agricultural Marketing Service—USDA—Fargo.

Mr. KEATING. Thank you.

Senator JOHNSTON. Proceed. Do you have another witness?

Mr. CROCKETT. Mr. Chairman, I would now like to introduce Robert M. Green. Bob is secretary of the National Macaroni Manufacturers Association. These are the people that process semolina flour and they are the people who deal with the consuming public for this industry.

Robert Green.

Senator JOHNSTON. You may proceed, Mr. Green.

STATEMENT OF ROBERT M. GREEN, SECRETARY, NATIONAL MACARONI MANUFACTURERS ASSOCIATION, PALATINE, ILL.

Mr. GREEN. Mr. Chairman, I have a lengthy statement here and I have compiled some statistics which I would like to submit for the record, but I won't bore you with all of the detail of it.

Senator JOHNSTON. We will be glad to mark them and they shall become a part of the record.

(The statement follows:)

THE MACARONI INDUSTRY NEEDS MORE DURUM WHEAT

1958 was a big year for macaroni sales and Durum consumption; 1,266 million pounds of macaroni were produced, 11 percent more than in 1957 and 11 percent more than the previous record high year of 1948 when the industry was working around the clock on export business.

Per capita consumption of macaroni products rose from 6.6 pounds in 1957 to 7.3 pounds in 1958. While there were many factors that accounted for this increase, the industry believes the two primary ones to be successful industry commodity promotion coupled with individual brand promotion, and because there was enough Durum available for the production of quality products.

Historically, macaroni consumption has gone up when Durum was in plentiful supply, gone down when it was in short supply. From the postwar low of 6 pounds per person in 1947, macaroni sales rose to 6.8 pounds per person in 1951. This was largely attributed to the product promotion work of the newly established National Macaroni Institute.

It was in 1950 that the dreaded rust 15-B first appeared. It struck again in 1951 and with a third consecutive appearance in 1952 Durum production was cut from some 40 million bushels to just over 23 million bushels.

Acreage was cut below the 2 million mark for the first time in many, many years in 1953, and because of the shortage of supply the macaroni industry was forced to go off the Durum standard and work with a blend of 50 percent Durum and 50 percent hard wheat. Consumption fell immediately from the 6.8 pounds of 1952 to 6.4 pounds. It dipped to 6.3 pounds following the crop catastrophe of 1954.

The real comeback, made possible by the new rust resistant varieties, came in 1956. One hundred percent Durum semolina was available again for the first time in several years in 1957 and consumption rose to 6.6 pounds. In 1958 it had the sharp increase to 7.3 pounds.

Now, there are problems connected with every single step along the way of getting Durum from the field to the table, and we might do well to take a brief look at some of them.

The consumer is the starting point, for she calls the time for the success or failure of any food product. She is primarily interested in providing her family with good nutritious food that they like and will want again.

Macaroni has an advantage in that it combines readily with other foods and can be served in dishes from soup to desserts. It can capitalize on the current trend toward convenience and glamorous foreign dishes for gourmet tastes and entertaining. It can be served simply as a budget stretcher.

Macaroni has the same sales obstacle as other cereal foods—people think it's fattening. The National Macaroni Institute is attempting to overcome this problem by advertising the nutritive values of macaroni and noodles to doctors in the Journal of the American Medical Association, to teachers and home economists in their publications, to the general public in every medium. By pointing out the protein content and vitamin and mineral enrichment there is a good story to tell. A complete dinner menu of spaghetti with rich beef and tomato sauce, a tossed green salad, half a cling peach for dessert with black coffee, has only 550 calories—great for any diet.

Two out of three macaroni sales in the grocery store according to research are made on impulse. Therefore the package and the product must be attractive to make that on-the-spot sale. Repeat business is dependent upon satisfaction in cooking and eating. Here is where Durum is so important—it has more cooking tolerance and less tendency for starch to slough off in the cooking water. Connoisseurs say Durum tastes better, but even a blend properly cooked can be mighty good eating.

The important thing is that the consumer wants uniform results—she wants the same product in the same package time after time. She is not so much concerned with whether it's 100, 75, or 50 percent one ingredient or another but whether or not it gives her satisfactory results.

The grocer from whom the consumer buys the macaroni is interested primarily in having a product for which there is demand and moves quickly off his shelves at the best possible return. It is up to the macaroni manufacturer to create consumer demand through advertising and promotion to move the product for the grocer. On special occasions he can get the grocer to cooperate in putting up

special displays on related item promotions, but this takes some doing when macaroni contributes only a small portion of store sales and is one of some 5,000 items carried in supermarket stock.

In order to create consumer demand, the macaroni manufacturer must have a product over which he can be enthusiastic, attractively packaged, and sold in competition not only with every other brand of macaroni products but in competition with every other kind of food seeking a place on the American dinner table. Somehow he has to convince Mr. Grocer that his product is the line to carry instead of that of a competitor, for unless he is on the grocery shelf Mrs. Consumer will never buy his package.

The most eloquent testimony that this is truly a competitive business is the fact that the U.S. census of manufacturers in 1939 counted 356 units making macaroni. In 1954 they counted 226. Our records indicate that there are less than 175 of any consequence.

The macaroni manufacturer buys his raw materials from the miller. There are seven mills equipped to handle Durum, centered chiefly in the Minneapolis area. They must compete against one another for macaroni manufacturers' patronage in offering uniform products of best quality. If they fail, or if they do not have sufficient Durum to work with, they lose business to mills competing with them for other types of flour trade in every State of the Union.

The millers, just like any other businessmen, have to buy the best material possible at the best price they can in order to satisfy their trade and make enough return to stay in business. By the same token, macaroni manufacturers are aware that they are competing for acreage on farms against hard wheat, barley, and flax, and growers will raise the products that they think will bring them the greatest dollar return.

Nobody is in business for fun. We all expect to make a profit. We have to, to keep our heads above water. Durum has always commanded a premium over Hard wheat. Hard wheat is in surplus supply. Durum is in short supply.

Growers can make more money if they keep the macaroni industry on the Durum standard. They can lose this market if there is a short crop, and it will be hard to get back. This year, 1959, we will have to have 1,500,000 acres seeded to Durum, producing an average of 20 bushels to the acre.

Next year with 4 million more mouths to feed and another three-quarters of a pound gain in per capita consumption, we will need an additional 300,000 acres planted to Durum.

This is our sales forecast.

STATISTICAL TABLES

I. Macaroni consumption: Domestic production, exports, imports, and per capita consumption.

II. Durum supply, from USDA semiannual Durum reports: Stocks, production, imports, total supply.

III. Durum distribution: Mill grind, feed and other uses, seed, exports, total disappearance.

IV. Durum acreage and production: Seeded acreage, seeded but not harvested, yields, production.

V. Prices, Minneapolis market: Cash closing prices for Dark Northern Spring and Durum, monthly average, daily range, support prices.

TABLE I.—*Macaroni consumption*

[Figures in thousands of pounds]

Year	Macaroni produced	Macaroni exported	Macaroni imported	American consumption	Per capita
1937-----	658,283	3,048	1,696	656,931	5.1
1938-----	677,614	3,130	1,164	675,648	5.2
1939-----	684,390	4,423	1,077	681,044	5.2
1940-----	623,405	3,590	875	620,690	4.7
1941-----	725,047	3,710	602	721,939	5.4
1942-----	860,570	2,626	33	857,977	6.4
1943-----	982,540	3,296	156	979,400	7.2
1944-----	819,913	11,119	185	808,979	5.9
1945-----	1,069,275	12,556	285	1,057,004	7.5
1946-----	1,107,221	72,108	497	1,035,610	7.3
1947-----	931,710	74,634	793	857,869	6.0
1948-----	1,139,747	223,732	717	916,732	6.2
1949-----	955,436	23,200	689	932,925	6.3
1950-----	957,469	8,826	862	949,505	6.3
1951-----	1,046,236	4,750	981	1,042,467	6.8
1952-----	1,067,242	6,150	2,749	1,063,841	6.8
1953-----	1,027,941	6,512	2,343	1,023,772	6.4
1954-----	1,040,815	5,589	4,640	1,039,866	6.4
1955-----	1,042,170	5,281	5,250	1,042,139	6.3
1956-----	1,079,939	5,596	5,500	1,079,341	6.4
1957-----	1,137,714	8,888	5,568	1,134,394	6.6
1958-----	1,273,914	7,475	¹ 5,234	1,271,674	7.3

¹ For 10 months only.

Source: Glenn G. Hoskins Co. production index and U.S. Department of Commerce figures.

TABLE II.—*Durum wheat supply*

[In thousands of bushels]

Year	July 1 stocks	Production	Imports	Total supply	Year	July 1 stocks	Production	Imports	Total supply
1935-36-----	5,059	24,641	3,810	33,510	1947-48-----	8,907	44,912	0	53,819
1936-37-----	6,769	8,871	9,293	24,933	1948-49-----	10,299	45,829	0	56,128
1937-38-----	3,433	28,638	50	32,171	1949-50-----	18,036	39,503	0	57,539
1938-39-----	5,217	41,201	0	46,418	1950-51-----	24,958	37,948	214	63,120
1939-40-----	18,002	33,044	0	51,046	1951-52-----	23,624	35,475	398	59,497
1940-41-----	19,216	32,942	0	52,158	1952-53-----	15,014	23,056	158	38,228
1941-42-----	24,940	41,403	0	66,343	1953-54-----	6,842	13,820	36	20,698
1942-43-----	34,256	41,836	469	76,561	1954-55 ¹ -----	4,852	4,988	12	9,852
1943-44-----	26,931	34,265	2,867	64,063	1955-56 ¹ -----	1,500	19,591	0	21,091
1944-45-----	14,291	30,328	4,350	48,969	1956-57 ¹ -----	7,000	38,798	0	45,798
1945-46-----	8,136	33,281	1,537	42,954	1957-58 ¹ -----	14,000	39,942	0	53,942
1946-47-----	4,923	36,308	350	41,581	1958-59 ¹ -----	27,000	22,375	0	49,375

¹ Estimated.

Source: USDA semiannual Durum wheat reports.

TABLE III.—*Durum wheat distribution*

[In thousands of bushels]

Year	Mill grind	Feed and other use	Seed	Exports	Total disappearance	Year	Mill grind	Feed and other use	Seed	Exports	Total disappearance
1935-36-----	15,723	5,816	5,202	0	26,741	1947-48-----	28,179	2,319	4,581	8,441	43,520
1936-37-----	12,052	4,761	4,687	0	21,500	1948-49-----	21,684	8,606	5,265	2,537	38,092
1937-38-----	13,630	7,786	5,538	0	26,954	1949-50-----	21,630	5,741	4,085	1,125	32,581
1938-39-----	14,821	7,222	4,608	1,765	28,416	1950-51-----	23,337	2,929	3,610	9,620	39,496
1939-40-----	15,423	10,946	4,951	510	31,830	1951-52-----	25,533	2,023	3,249	13,678	44,483
1940-41-----	16,499	6,805	3,614	300	27,218	1952-53-----	23,668	1,703	2,940	3,075	31,386
1941-42-----	18,961	9,079	2,998	1,049	32,087	1953-54-----	11,915	1,603	2,287	41	15,846
1942-43-----	23,880	22,774	2,976	0	49,630	1954-55-----	5,862	687	1,803	0	8,352
1943-44-----	20,409	26,432	2,931	0	49,772	1955-56-----	8,500	2,285	3,067	239	14,091
1944-45-----	26,031	11,976	2,826	0	40,833	1956-57-----	14,984	3,212	3,022	10,580	31,798
1945-46-----	22,242	12,307	3,482	0	38,031	1957-58-----	21,463	3,566	1,620	293	26,942
1946-47-----	21,365	6,226	4,162	921	32,674						

TABLE IV.—*Durum acreage and production*

[Units in thousands]

Year	Seeded acreage	Seeded but not harvested	Yield, bushels per acre	Produc- tion in bushels	Year	Seeded acreage	Seeded but not harvested	Yield, bushels per acre	Produc- tion in bushels
1935-----	2,428	200	9.6	23,426	1947-----	2,975	27	14.9	44,328
1936-----	3,555	2,012	2.3	8,113	1948-----	3,278	58	13.8	45,142
1937-----	3,214	429	8.7	27,957	1949-----	3,767	197	10.4	39,072
1938-----	3,793	309	10.5	39,715	1950-----	2,918	89	12.8	37,212
1939-----	3,128	163	10.4	32,486	1951-----	2,586	68	13.4	34,762
1940-----	3,371	342	9.6	32,294	1952-----	2,328	154	9.7	22,493
1941-----	2,598	74	15.6	40,658	1953-----	2,103	238	6.2	12,967
1942-----	2,155	46	19.1	41,236	1954-----	1,637	328	3.0	4,982
1943-----	2,136	58	15.7	33,505	1955-----	1,385	37	14.1	19,580
1944-----	2,099	42	14.1	29,666	1956-----	2,481	171	15.5	38,503
1945-----	2,026	22	16.2	32,840	1957-----	2,365	84	16.8	39,680
1946-----	2,493	40	14.4	35,836	1958-----	947	18	23.3	22,077

Source: USDA wheat situation.

TABLE V.—*Cash closing prices*

	Monthly average				
	January 1958	October 1958	Novem- ber 1958	Decem- ber 1958	January 1959
Minneapolis:					
No. 1 Dark Northern Spring, ordinary protein----	2.30	2.08	2.07	2.07	2.06
No. 1 Dark Northern Spring, 13 percent protein----	2.33	2.17	2.16	2.14	2.12
No. 1 Dark Northern Spring, 15 percent protein----	2.36	2.26	2.26	2.24	2.22
No. 2 Hard Amber Durum-----	2.39	2.32	2.36	2.39	2.38

	Daily range			1958 crop support prices	
	Feb. 19, 1958	Feb. 12, 1959	Feb. 19, 1959	Feb. 19, 1959	Terminal
Minneapolis:					
No. 1 Dark Northern Spring, ordinary protein----	2.34	2.07	2.08	2.18	2.20
No. 1 Dark Northern Spring, 13 percent protein----	2.35				
No. 1 Dark Northern Spring, 15 percent protein----	2.37				
No. 1 Dark Northern Spring, 13 percent protein----	2.38	2.12	2.13	2.21	2.23
No. 1 Dark Northern Spring, 15 percent protein----	2.39	2.13	2.14		
No. 1 Dark Northern Spring, 15 percent protein----	2.40	2.21	2.22		
No. 2 Hard Amber Durum-----	2.40	2.22	2.23	2.24	2.26
No. 2 Hard Amber Durum-----	2.37	2.28	2.28		
No. 2 Hard Amber Durum-----	2.40	2.38	2.38		
No. 2 Hard Amber Durum-----	2.40	2.40	2.40	2.27	2.29

Mr. GREEN. The highlights of this report are the facts that the macaroni industry needs more Durum wheat.

Senator JOHNSTON. Where are the macaroni factories located?

Mr. GREEN. Macaroni factories are located in urban centers all over the country, primarily regional businesses that distribute their finished goods within a radius of a couple hundred miles of the plant, because it is cheaper to ship the raw materials than finished goods. It is a regional business.

The wheat is grown in the upper Midwest area, and it is milled largely in Minneapolis area; Richmond, Wis.; Grank Forks, N. Dak.; Minneapolis, and then it is shipped from that point all over the country, and manufactured into finished products in urban centers.

Historically, consumption of macaroni has gone up when Durum was in plentiful supply and it has gone down when it was in short supply. That is borne out in the statistics that go back for 20 years that I have submitted for the record here.

Acreage was cut below the 2 million mark for the first time in many, many years in 1953. This was because of the rust epidemic, and because of the shortage of supply. The industry was forced to go off the Durum standard and work from a blend of 50 percent Durum and 50 percent Hard wheat. Consumption fell immediately from the 6.8 pounds of 1952 to 6.4 pounds. It dipped to 6.3 pounds, following the crop catastrophe of 1954.

The real comeback made possible by the new rust-resistant varieties came in 1956. One hundred percent Semolina was available and again for the first time in several years in 1957, and consumption came back from the 6.3 to 6.6 pounds.

Last year we had a very sharp increase to 7.3 pounds, almost three-quarters of a pound per person. This was an 11-percent increase and the best year we have had since wartime.

This increase has come in the face of declining acreage because of the problems the growers have that have been pointed out.

I am sure you are wondering why Durum is essential to the quality of macaroni and the experience of the industry is very definite on that point. Our business is dependent upon giving the consumer satisfaction in cooking and eating the food product. Durum is important because it has more cooking tolerance, it has less tendency for starch to slough off in the cooking water, it doesn't mush up and break as other types of wheat do.

When we are forced to use blends we have all of these problems in giving the consumer a satisfactory product. She doesn't like them and won't use them and consumption falls.

I would like to point out, as an aside at this point, that ours is a truly competitive business. We try to work out our own problems to the best of our ability, but the facts are that since 1939 when the U.S. census of manufacturers counted 356 units, there has been a decrease in the number of manufacturer establishments to 226 in the last census in 1954, and presently, as of this moment, the best count we can get is 175.

So I merely wanted to make that point, that the industry is competitive, it is the manufacturer that has a good brand franchise with the consumer that stays in business and the marginal manufacturer who doesn't maintain quality standards is the one that goes out and goes out fast, and that is borne out by our business experience.

I would like to make one comment on prices also.

Top milling Durum in recent weeks has been selling at a range in the Minneapolis market of \$2.36 to \$2.42. During the same period 60 pounds, 13 percent protein bread wheat from Durum territory has been selling from \$2.12 to \$2.19, basis Minneapolis. Durum has been trading from 6 to 12 cents over the gross loan while bread wheat has been trading from 5 to 12 cents under gross loan.

The macaroni industry has always paid a premium for Durum wheat and will continue to do so.

Senator LANGER. Wasn't last year when they started to pay the premium?

Mr. GREEN. The spread over and above hard wheat.

Senator LANGER. When did they start to pay a premium on Durum, what year?

Mr. GREEN. As far back as I know.

Senator LANGER. What year was it?

Mr. GREEN. I can't give you.

I have been in the milling business 30 years, and I believe 30 years ago they were paying premium for Durum.

Senator LANGER. Started in 1937.

Mr. CROCKETT. That is correct. The Senator is correct on that.

Senator LANGER. Yes, sir. There have not always been premiums. Those premiums began with expansion of the macaroni industry, with expansion of consumption. The premiums have been increasing.

Mr. WENTZEL. I say premiums, we were paying a protein premium years and years ago.

Senator JOHNSTON. Don't you think that is good for the Durum growers?

Isn't it the one that has the quality that has stayed in existence?

Mr. GREEN. That is right. That is the reason I tried to make that point.

Senator JOHNSTON. That would be in most instances the one who is using Durum wheat?

Mr. GREEN. That is right.

Senator YOUNG. Mr. Chairman, the point I am trying to bring out is this, that despite this rather favorable premium of about 20 cents a bushel or a little more, on Durum over Hard Red Spring, the intention to plant on the part of the farmer is not up to where it should be. This is a report from the Department of Agriculture that came out yesterday.

Intended plantings of Durum wheat total 1.3 million acres. Up sharply from last year's record of low acreage planted, but still well below average.

Senator MUNDT. Is that broken down into States, Senator Young, so you can give it to us by States?

I would like to have you put it down by States, if you have it.

Senator YOUNG. Minnesota, 26,000 acres; North Dakota, 1,080,000; South Dakota, 110,000; Montana, 57,000. And percentage points—points—

Senator JOHNSTON. What is California, just for curiosity, if we are going into that?

Senator YOUNG. Under the legislation we passed last year, they are permitted to seed up to 8,000 acres.

Mr. MANWARING. Our record indicates that they seeded about 5,300 acres in 1958 due to the passage of the legislation being late, and we have no indication of their planting for 1959 at this point.

Senator YOUNG. Something around 8,000 acres.

Mr. MANWARING. Yes, sir; that is correct.

Senator MUNDT. May I ask Mr. Manwaring a question while he is standing up?

Senator JOHNSTON. Proceed.

Senator MUNDT. Do your tables indicate whether in the State of South Dakota, this Durum-planted potential of 100-some-thousand acres is up or down from last year and the immediate years past?

Mr. MANWARING. Up 148 percent of last year.

Senator YOUNG. Highest of any State.

Mr. GREEN. Mr. Chairman, on that point, the industry feels that it needs 30 million bushels of Durum wheat to meet its normal require-

ments, as Mr. Crockett pointed out. The mill grind should run about 5 million bushels this year.

The Department of Agriculture's figures are reported on a crop year basis which runs from July 1 to June of the following year. For the last period of record they show 1957, 1958 crop year, a mill grind of 21,463,000. Now if that was put on a calendar year basis, as we calculate macaroni sums, that figure would have been 23,190,000, which shows the additional increase in mill grind because of the availability of Durum. This is borne out in the fact that we had 11 percent increase in macaroni sales last year over 1957.

Senator MUNDT. Are you telling us now, if you were to pass a bill similar to the one which has been passed a year at a time, to make possible planting of additional Durum or similar to the bill that Congressman Anderson of Montana was testifying for, that you think the industry would be able to utilize that full production of Durum wheat?

Mr. GREEN. Yes, sir; our great fear is that unless something like that is done, we are going to be in short supply and we will lose our market, not only for macaroni but for the Durum as well.

Senator MUNDT. In other words, you think you not only can utilize the additional wheat that this legislation would make possible, but that if they don't pass something like that, you are going to be able to utilize less and less Durum wheat because people get out of the habit of fabricating macaroni from it?

Mr. GREEN. That is right.

Senator JOHNSTON. Then let the chairman ask one other question. Is there any difference to make in the machinery in producing from the Durum wheat and other?

Mr. WENTZEL. Oh, yes.

Senator JOHNSTON. Isn't that a fact where you have to change gears and change dies of machinery, pretty expensive?

Mr. GREEN. Mr. Wentzel is a miller, and he can tell you about that point.

Mr. WENTZEL. Do you want me to do that now?

Mr. GREEN. Let me make my last statement, and Mr. Wentzel will tell you about it.

Senator JOHNSTON. In other words, I imagine, just looking at it from another manufacturer, where you are selling your goods, it is much more profitable to you to keep doing it with the same kind of wheat?

Mr. WENTZEL. Oh, absolutely.

Senator JOHNSTON. If you don't, you have to change over, then you have to change over to the other; it is very costly, and that is what has caused some of the people to probably have to go out of the business.

Mr. GREEN. That is right.

Senator JOHNSTON. That is the reason I am bringing that out.

Mr. WENTZEL. Mr. Chairman, I will clarify one point. The machinery is the same.

Senator JOHNSTON. Machinery is the same.

Mr. WENTZEL. However, the byproducts when we mill a blend, make it more difficult for us, because in the first place we get a higher percentage of clear, and we have, let's call it a dog, that is what we call it, a grade flour that just doesn't fit in anywhere, you see.

When we make semolina-farina blend, we get a certain percentage of first clear, and another percentage of second clear and we can't find a market for the first clear.

Senator JOHNSTON. And then when you put it out, people get used to using that, and then you change over, and begin to sell the other, although being sold by the same company, they say this is not what I have been buying, this is an inferior grade, then it hurts your sales all along the line.

Mr. WENTZEL. It is more difficult to mill a blend of Durum and Hard wheat.

Senator JOHNSTON. That is what you are up against.

Mr. WENTZEL. Because of the fact that the Durum wheat is hard, real hard, we have to use special corrugations on our rolls to grind it. So we don't make flour, when we make this semolina, we don't want to make flour. But, when we grind the blend of the two, our percentage of flours increases, you see, which is bad, of course.

Senator JOHNSTON. We have had the same thing in regard to cotton. You don't have to change machinery, but when you make a certain grade of cotton—we have a lot of it in storage now throughout the United States, that you can manufacture—but it makes an inferior grade.

Mr. WENTZEL. Right.

Senator JOHNSTON. Same principle.

Mr. GREEN. If we do have good quality, we expect further increases in consumption. Our basis of our requests for a million and one-half acres this year is on the basis of minimum needs. If we take the figures that Senator Young just gave us, as planting intentions, and we got the 15-bushel average, which has been slightly above the past 10-year average, we would only have 19 million bushels of Durum wheat, which is less than we had in 1958, and less than half of our normal requirement.

If we get a better yield than that, say it went up to 18 bushels, we would be up to about an even keel of last year's production, which was again in short supply.

If we have a bumper crop, and I don't know that we can get 2—2 consecutive years—as Mr. Crockett has pointed out, if we did get 20 bushels to the acre, we would only get 25 million bushels under the present indication of planting.

We think that we have to have a million and a half acres producing an average under 20 bushels of the acre to get 30 million bushels that we need this year. And next year, with 4 million more mouths to feed, and per capita increase of another three-quarters of a pound, we would need another additional 300,000 acres.

Thank you very much for your time and attention.

Senator MUNDT. For which you are willing to pay a market price which makes the production of Durum wheat profitable?

Mr. GREEN. That is correct.

Senator MUNDT. So no cost to the Government involved in marketing of that particular blend of wheat?

Mr. GREEN. That is correct. The industry feels if Durum would be considered as specialty crop, which it is in our mind, as we take 99.9 percent of the crop, and got it out from under the general wheat problem, that a free market will take care of it without any trouble at all.

Senator MUNDT. Does it follow that that land which is not available for Durum wheat production, without the passage of legislation would otherwise be raising the traditional type of wheat which would add to excessive storage problems which you already have?

Mr. GREEN. Yes, sir.

Mr. CROCKETT. That is right.

Senator MUNDT. I should think the Government should be in here testifying on your side of the table very enthusiastically for this proposal.

Mr. GREEN. We would hope so.

Mr. CROCKETT. Mr. Chairman, our next witness is the man in the middle. This is the man we sell the wheat to, and this is the man from whom the manufacturer buys the semolina grind.

I would like to introduce Ray Wentzel, who is vice president and general manager of the milling division of Doughboy Industries of New Richmond, Wis.

STATEMENT OF RAY WENTZEL, VICE PRESIDENT AND GENERAL MANAGER, MILLING DIVISION, DOUGHBOY INDUSTRIES, INC., NEW RICHMOND, WIS.

Mr. WENTZEL. Mr. Chairman, members of the committee, my name is Ray Wentzel. I am affiliated with Doughboy Industries, Inc., of New Richmond, Wis., a company that is engaged in milling Durum wheat into semolina for the macaroni, spaghetti, and noodle manufacturers.

I am here as a spokesman, along with the two gentlemen from the North Dakota Durum Growers Association, and Bob Green from the Macaroni Manufacturers Association, as a spokesman for the Durum millers.

Incidentally, as Mr. Green has pointed out, there are only seven Durum mills in the United States. And, I have been authorized to make the statement that the majority of the Durum millers, are in favor of Senator Young's bill.

The loss of Durum acreage in the northwest area has reached a point where it has become alarming to all segments of the industry. This is happening while the per capita consumption of Durum products is on the increase. Durum acreage has reduced from a 10-year average of 2½ million acres to an acreage of only 947,000 in 1958. From an acreage of this size, it is impossible to raise enough Durum to supply the industries' needs and seed requirements of 30 million bushels. In fact, it is only because of a carryover from 1957, when an incentive program was in force, plus exceptional favorable weather, along with good farming by the Durum wheat farmer in 1958, that there is sufficient Durum to supply the industries' needs to the harvest of the 1959 Durum crop.

Durum millers and macaroni manufacturers were forced to turn to the use of substitutes because of the shortage of Durum wheat in 1953 and 1954. The results were disastrous, as far as losses were concerned.

Per capita consumption of macaroni products dropped. Mills, other than Durum wheat mills, entered the picture. Competition was so keen that approximately 30 percent of the Durum milling capacity was lost. Today, because the vast majority of the macaroni and

noodle manufacturers are back on the Durum wheat standard, the Durum mills are running over 100 percent capacity on a 5-day week.

We feel that we cannot afford to lose the ground we have gained again, therefore, we are asking for an adequate supply of Durum wheat in the future.

Thank you gentlemen, and I say again, we are asking for an adequate supply of Durum wheat in the future because when we don't have it, we lose our markets.

Senator JOHNSTON. Let me ask one question. In 1957, somebody has the chart there, I don't have it—how much Durum wheat was grown?

Mr. GREEN. The production was 39,680,000.

Senator JOHNSTON. What I am getting at, if you hadn't had that big production and probably helped you in the following year, and you had been caught with 21 or 23 million bushels, you would be in an awful fix now. That is what I wanted to bring out.

Mr. WENTZEL. We can thank the Lord. He was good to Durum farmers last year.

Senator YOUNG. Mr. Chairman, I would like to ask Mr. Wentzel to comment on the intended acreage to be planted to Durum by farmers—1,300,000. Do you think that would provide an ample supply?

Mr. WENTZEL. Senator, as I told you in your office, we are very happy to get any kind of an increase. However, we feel that we actually need a minimum of 1½ million acres, this year.

Senator JOHNSTON. Isn't this also true, with a million and one-half acres, you cannot always expect the favorable conditions that you had last year?

Mr. GREEN. That is right.

Senator JOHNSTON. And you need not expect to produce that high amount of wheat per acre on an average?

Mr. WENTZEL. We didn't anticipate getting the bushels that we did get. However, we were thankful that we did. As you said, Mr. Chairman, the Lord was with us, and if we hadn't, then, of course, people get panicky, you know. They buy when they maybe shouldn't buy, and, of course, we can't cover our requirements. So somebody gets hurt. That is why I say the losses were tremendous.

When you are running along with a short supply, all the time, you see, you have these ups and downs, and, of course, there isn't enough storage to buy your wheat to cover your sales, you see, so you are highly vulnerable.

Senator JOHNSTON. We are all the time hollering antimonopoly. It would be so easy for one fellow or a few to get control of it, and push everybody else out that might be using it, and pass it down the line.

Mr. WENTZEL. You see, we lost several mills.

There were 10, we are down to 7 now. These three casualties, due to the fact that we have these ups and downs, at times, sell the flour in the fall, and anticipate enough receipts to cover the sales; they weren't coming in, and you can't cover yourself on the future market. There isn't any futures market for Durum, so you mill out the flour, maybe 2 months later, when you are buying the wheat in at maybe 20, 30, 40 cents a bushel or more, than what you anticipated paying.

Senator JOHNSTON. Well, we are in a tremendous market and free enterprise, and when you just barely have enough, and those that are going to want it down the line, it is easy for the competition to become so keen down the line, after it leaves the farmer, at the price he got, for them to gobble it up and push another man and push him to the wall, so to speak.

Mr. WENTZEL. And that has happened to the macaroni manufacturers, also. We have lost how many?

Mr. GREEN. About one-third.

Mr. WENTZEL. About one-third of the macaroni plants.

Senator JOHNSTON. I personally, I don't hesitate to say that I think we ought to do something for the situation immediately, and I think we ought to do something for the situation in the future.

Who is your next witness?

Mr. CROCKETT. Sir, our next witness is the man that is probably the most vitally concerned of all because he is farming in an area where he has very few choices. The majority of this Durum is produced in an area that has a short frost-free season. It is an area that cannot grow alternative crops. The severity of our winters makes it rather difficult to have livestock.

I would like to introduce Mr. Richard Saunders from Doyon, N. Dak. Dick is also a third generation wheatgrower in North Dakota. His farm is located in Ramsey County, which is in the heart of the Durum triangle, and, incidentally, Ramsey County was the leading Durum producing county and Dick will give you a farmer's viewpoint of this Durum problem.

Senator JOHNSTON. You may proceed.

STATEMENT OF RICHARD K. SAUNDERS, SECRETARY AND TREASURER, DURUM GROWERS ASSOCIATION, DOYON, N. DAK.

Mr. SAUNDERS. Mr. Chairman and members of the Senate Agriculture Committee, I am a farmer from Ramsey County, N. Dak., and also a member of the Durum Growers Association.

As Mr. Crockett stated, Ramsey County raised more Durum than any other county in the United States in 1958. The farms in our area have traditionally raised Durum for three generations. I am very much interested in Durum and its future. Its future depends on the use of Durum in macaroni products. I planted all my allotted wheat acres to Durum in 1958, but at a Durum growers meeting held on February 12, 1959, attended by approximately 300 farmres, only 12 intended to seed 100 percent Durum, and only 18 indicated that they would increase this planting of Durum. The rest planned on seeding all Hard Red Spring wheat, or some of both. In our opinion, this is not enough of an increase to supply the macaroni industries' needs. The added risk involved in raising Durum, compared with Hard Red Spring wheat, plus the fact that the price was low a year ago, were the main reasons given for the drastic cut in Durum acreage in 1958. Another factor is that Durum is discounted quicker than Hard Red Spring wheat.

When we talk about discounts, we are talking about the same variety of Durum, Amber Durum, but when it gets one rain on it, after it has been cut, it bleaches out, and makes it of poorer quality, when it gets

two rains, three rains, the discounts get greater, and it tends to be a lot more risky.

Senator YOUNG. It will sprout more quickly when you get rain.

Mr. SAUNDERS. In 1957 we experienced the worst sprout damage that has ever been experienced by the Durum grower. Much of the Durum was cut during wet weather, and the wet weather continued for too long a period. The Durum couldn't stand that much moisture, and it sprouted. The hard wheat didn't sprout as quickly, and therefore the men that were growing hard wheat were able to sell their hard wheat or deliver it, and as it was in most instances, at about the same price as usual. But Durum took a cut down to \$1.40 a bushel, compared with \$2.20 for top quality Durum.

And some of the risks involved are that Durum ripens about 2 weeks later than hard wheat, and it is therefore subjected to hail and wet weather, as I explained, later in the fall. It must be seeded earlier in the spring, also, which means the farmer has less chance to control wild oats and other weeds.

Durum has longer straw than hard wheat, so it tends to lodge and presents a serious problem at harvest. In the year just past, the largest combine made could only combine half the number of Durum acres as it could of those planted to hard wheat in 1 day.

After 1950, 15B rust began to cut yields of Durum steadily. Some farmers turned to hard wheat, which did not rust as badly. Those that stuck with Durum lost their crops in 1954 and 1955 and, as a result, turned to hard wheat, too.

Selkirk, a Hard Red Spring wheat, was developed, which did not rust, and had a very high yield. It wasn't until the following year that we had Durum varieties that withstood rust. Many farmers, who switched to raising hard wheat then, feel that they are still in the business of farming because of hard wheat, and Selkirk was that Hard Red Spring wheat. They could not have stood another year of Durum loss without losing their farms. So, as a result, they feel they cannot afford to switch back to Durum without some incentive. Others have changed their farming operations and raise both Durum and hard wheat. But this has not produced enough Durum. Only through the use of previous incentive plans have we been able to raise enough Durum to meet the demand.

Members of the Durum Growers Association decided it was time to do some positive thinking, and came up with the basic principles of this bill. We feel that this will supply the industry with enough Durum and still keep Durum out of the Commodity Credit Corporation stocks.

That was the main thinking on this bill, when we sat down and discussed it. We did not want to raise too much Durum so it gets into Government hands. Whenever it gets into Commodity Credit stocks, we have no market. I mean the market can only go up so high, and then when it gets there, well, the Government will dispose of its stocks. For example, as of right today the Government has on hand approximately 13 million bushels of Durum that was raised in 1956 and 1957, when the incentive was a little bit too high.

If it weren't for the Government holding these Commodity Credit Corporation stocks of Durum, the price would go up, but the millers and Durum manufacturers feel that if they raise the price a little bit over the present price, then the Government would release their

stocks, and the price—the market would be flooded and the farmer wouldn't have a market for his Durum that is out on the farm.

That would discourage planting this spring, so we are very much interested in controlling this bill so that it won't result in too much Durum.

Senator JOHNSTON. Has the Commodity Credit Corporation disposed of any Durum the last year?

Mr. SAUNDERS. Yes, sir; I believe they have. I believe that Ray Wentzel, the miller, can tell you.

Senator YOUNG. Mr. Manwaring will be the best authority on what stocks the CCC have moved.

Do you have the figures on what the Commodity Credit moved?

Mr. WENTZEL. The Commodity Credit stocks are coming right along. Some of this Durum is going out of condition now, and they have to move it. This is in Minneapolis. It is being sold.

Senator YOUNG. May I ask this question: Is most of the Commodity Credit Corporation stocks good wheat, or do you have some of the sprouted wheat that came in in 1957?

Mr. MANWARING. We think we have some of that sprouted wheat, Senator. We don't know exactly how much. We think not very much. We think most of what we have is good wheat. We have moved out of CCC stocks about 3.5 million bushels, I believe, fairly recently, July 1, 1958, to January 1959.

I will have to supply that exactly for the record, but somewhere around that, because we had some 17 million, and now have 13.3 million, in that vicinity.

(NOTE.—The Department subsequently advised that 3.138 million bushels of Durum wheat had been sold for the manufacture of food products by the Commodity Credit Corporation from July 1, 1958, to January 1, 1959, and 416,000 bushels were sold during the same period because they were going out of condition or were in danger of going out of condition.)

Senator JOHNSTON. Well, you are holding it?

Mr. MANWARING. This belongs to Commodity Credit.

Senator JOHNSTON. The price you paid for it and the price today, how does it differ?

Mr. MANWARING. The price today is about \$2.48 for No. 2, from hard and from Durum. That is our price at the present time.

Senator JOHNSTON. What did you pay for it?

Mr. MANWARING. Senator, I will have to check that; don't know.

Senator JOHNSTON. We would like to know that, and I think I would be interested, and I think the manufacturers would, and so would the growers, to know if you are feeding this slowly back in, and don't dump it all at one time. We would like to know how you are handling that.

Mr. CROCKETT. Sir, there is one comment I would like to make and I am sorry Senator Aiken isn't here now, but in connection with the mention of these Commodity Credit Corporation stocks, one of the reasons that there is still 13 million bushels of CCC stocks is because we allowed this industry to get in this position. Had we been able to maintain a constant supply of Durum wheat we would never have had this switch or trend to blending, and our consumption would have remained more constant. But as it was, the minute that we started to use blends, in the industry, our consumption dropped, and

then we picked up production faster than we could get the trade to go back to using 100 percent Durum again. Had we been using 100 percent Durum since 1955, or since the incentive program started, we wouldn't have 13 million bushels in CCC stocks.

Senator JOHNSTON. What you are saying is, if you had kept the Durum wheat in bushels, somewhere in the neighborhood of 35 million bushels all along, one year, coming along with 39 or 40, wouldn't have hurt anything, and there would have been practically no wheat, Durum wheat, stored today, because the people that use it would have built up and kept using it. But where they once cut off and go to using something else in place of it, a substitute, then of course there is a little trouble to get back to it.

Mr. CROCKETT. That is correct. We formerly had an export business with Durum wheat, but this country now is exporting no Durum.

Senator YOUNG. You know, Mr. Chairman, Durum hasn't been declared surplus, so it doesn't receive an export subsidy as does Hard wheat.

Mr. SAUNDERS. Senator, when statements were made that we need at least 1½ million acres of Durum, well, I believe that is very, very conservative. The charts and records show that our average yield is not 20 bushels, and that is the yield we would have to have on a million and one-half acres to produce the 30 million bushels that are needed.

Senator JOHNSTON. Production of that from year to year, taking the yield, it certainly would not be too much.

Mr. SAUNDERS. 2 million would be a lot closer to that figure.

Senator JOHNSTON. That is more to your needs.

Mr. CROCKETT. A figure of 15 bushels to 18 at a maximum would be a much more realistic figure for average Durum production.

Mr. SAUNDERS. I would like to thank you for your courtesy.

Senator JOHNSTON. We are certainly glad to have you.

Mr. CROCKETT. Mr. Chairman, I have just a few words in summary and that concludes our testimony.

Senator LANGER. I was going to ask these gentlemen from Commodity Credit whether there has been any effort to sell the 15 million bushels of Durum?

Mr. MANWARING. No, sir; there hasn't on this 13 million, Senator. We sell it in two ways, that which is storable, and in good condition, must be sold at 105 percent of the parity price plus cargo charge, and that gives us the \$2.48. That which is going out of condition may be sold into the market at market price, if it is in danger of going out of commission. We have tried hard to keep these stocks in good condition. Most people just don't tolerate "sloppy" handling. On the export, I think we have not exported much since 1956.

Senator YOUNG. That is the last year.

Senator JOHNSTON. Could I ask you one question right now, as to storing and keeping it? Is Durum wheat any harder to store and keep than hard wheat?

Mr. SAUNDERS. No, it isn't. It stores easily.

Senator JOHNSTON. About the same.

Mr. SANDERS. Except when it was in the condition it was in 1957, in a sprouted condition, there was a tendency for that grain to not store properly.

Senator YOUNG. Now, on the exports, I think 1956 is the last year it was declared in surplus and thus eligible for export, the same as Hard Red Spring wheat. Top export subsidy is 65 cents on Hard Red Spring, subsidy on export wheat?

Mr. MANWARING. Senator, I will have to check that.

Senator YOUNG. I think it is 65 cents, and there is no subsidy on Durum, and that is the reason it is not being exported.

Mr. SAUNDERS. I believe that we can't afford to export this 13 million bushels at this time because we must insure the macaroni industry with enough Durum.

Senator JOHNSTON. I don't think under the law, at the present time, it could be exported. So we won't worry about that.

Mr. SAUNDERS. I believe our millers and macaroni manufacturers will need this 13 million bushels badly.

Mr. GREEN. It is a very small cushion and we wouldn't want to see it go.

Mr. MANWARING. Senator, the reason I can't give Senator Young the exact subsidy on wheat is because we are subsidizing it by a payment in kind, and I don't happen to know what that is at the present time. We will supply it for the record. The subsidy on Hard Red Spring is 44 cents on the west coast and 59 cents elsewhere. When we were exporting Durum wheat in 1956 the subsidy was 78 cents in November 1956 and 47 cents in January 1957.

Senator JOHNSTON. Go ahead with your summary. They are calling us to the floor.

Mr. CROCKETT. This will take about 60 seconds.

Briefly summarizing our testimony in behalf of this bill, I would like to repeat that we feel fortunate that we have been able to present testimony from all three segments of the industry and we feel it is significant that we are in agreement on our recommendations.

We have tried to show that Durum is a commodity with a rapidly expanding usage and one which has never developed bothersome surpluses. We have further attempted to show that with Durum considered as a part of the overall wheat picture, it is virtually impossible for the producers to meet the demands of the industry.

We are vitally concerned about a dangerous trend that is occurring in Durum growing areas and that is the shift by the traditional Durum producer to the production of hard wheat. This causes or creates a further surplus of Hard Red Spring, which we formerly have not been bothered with, and it has seriously depleted our supplies of Durum.

Senate bill 1282 is a grassroots, constructive approach to the problem. It provides other than temporary correction to a problem that has required special legislation on three prior occasions.

We, as farmers, and I think I speak for the miller and manufacturer too, would like a permanent solution to this problem or something of a more permanent nature. The program that this bill suggests is not mandatory. A measure of control over production is provided and it places this control in the hands of the people who are most vitally concerned, the segments of the industry itself, and we feel that is important.

Some comment has been made about our inclusion or our suggestion of an advisory committee. Our reason for asking for that is because

we feel that events that have transpired in the past 2 years have justified this stand. When we got a small quantity of Durum beyond what we could consume, considerable concern was shown by the Department of Agriculture, but I think the argument that it would be wiser to have a small surplus of Durum, because it has an expanding usage, than to contribute further to the hard wheat surplus, is a good argument.

Our bill encourages or urges the 100 percent feature because we felt that would enhance greatly the quality of the material going to market. We felt the production of Durum was a specialty proposition and that the man who would succeed in making money raising Durum would have to be a specialist.

The other reason for us including that feature is that we would, as an organization, resist any trend that would remove Durum from its traditional home. That sort of action causes cyclical overproduction and underproduction, causing an unstabilized market.

We are very grateful for your reception and we thank you very much for your attention to our testimony. Thank you very much, Mr. Chairman.

Senator JOHNSTON. We thank you and all who have testified.

Senator YOUNG. The next witness is Mr. James G. Stearns, representing the Durum Wheat Committee of Tulalake Basin, Tulalake, Calif. Your testimony will be in behalf of what bill?

Mr. STEARNS. Senate 623.

I would like, if possible, to add some testimony on your bill, S. 1282.

Senator YOUNG. Proceed.

STATEMENT OF JAMES G. STEARNS, DURUM WHEAT COMMITTEE OF TULELAKE BASIN, TULELAKE, CALIF.

Mr. STEARNS. Which way shall we go on this?

Senator YOUNG. Whichever way you want.

Mr. STEARNS. I will start on S. 623 to begin with. I have submitted some briefs here, Senator, that pretty well sum up the economic situation in the Tulalake Basin in California. It is a situation that is so aggravated and so acute, that it makes it necessary for us to find some means to bolster our economy a little bit. Since Durum wheat is the commodity that we can produce the best, the best cash crop that we can possibly raise there, Durum wheat is the crop that we use to salvage our community.

I am not going to read that brief. It does substantiate the economic situation of the Tulalake Basin. It has been prepared largely by Mr. Baghott, professor of agronomy of the University of California.

Senator YOUNG. That will be made a part of the record.

(The document is as follows:)

A REPORT SHOWING THE FINANCIAL NEED FOR AND REQUESTING EXEMPTION OF THE TULELAKE BASIN FROM FEDERAL DURUM WHEAT CONTROLS

1. *Cause and effect.*—The Tulalake Basin of northern California is graphically located in the northern section of Siskiyou and Modoc Counties. The area borders Klamath County, Oreg. The U.S. Bureau of Reclamation developed the area for homesteading to World War I and II veterans.

A majority of the soil is highly productive. The entire basin can be irrigated. Climatic conditions are such that only the more hardy crops can be grown, this is due to frequent summer frosts. The altitude of the basin is 4,000 feet above sea level.

Because the basin is far removed from metropolitan markets, the production of the more hardy truck crops is rendered profitless. Only the following crops have been grown and marketed: cereals, alfalfa hay, alsike clover seed, and potatoes.

Prior to the introduction of Durum wheat (class II) the two principal crops grown in the basin were potatoes and malting barley. Experience gained through the production of Durum has demonstrated that this crop, following potatoes, alsike clover, and alfalfa absorbs the excess nitrogen left in the soil from the previous crop and results in high quality Durum.

The Tululake Basin, in former years, has produced a large share of the Hannchen barley used by the Midwest malting industry. With the imposing of acreage controls on basic crops such as wheat, rice, and cotton, these diverted acres have been planted to malting barley. As a result, Tululake farmers are forced out of the Midwest malting markets. The Rocky Mountain and Midwest States which now control the malting barley markets were not restrained from seeding their acreages of diverted crops to malting barleys.

2. *Cost and production data.*—The lowering of potato and alsike clover seed prices to less than production costs no longer makes production of these crops profitable. Cost studies conducted by the University of California Agricultural Extension Service show that Durum wheat is the only crop grown in Tululake which offers any promise of offering sufficient financial returns to support an average farm family. The cost of producing 100 pounds of potatoes in Tululake is \$2.07. Present price for these potatoes is \$1.40. It costs 27.8 cents per pound to produce alsike clover seed. Although there is no market for alsike seed at the present time, the latest sale was 17 cents per pound. The same is true for barley at a production cost of \$2 per hundredweight, farmers can make little or no profit at \$2 to \$2.10 per hundredweight. In fact, at the present time there are 400 rail-car loads of Tululake barley, of malting quality, stored in Tululake elevators which cannot be sold. Tululake hay producers do not have a local market. Hay must move 250 miles to the nearest market. Here again, it is the same as with the aforementioned locally grown barley; the great distances from markets render alfalfa, under the present farm price structure, a marginal crop.

3. *Projected effect of Durum wheat on Tululake economic situation.*—The potential income which could be realized by Tululake farmers provided they were allowed to continue growing Durum on an expanded acreage basis, would have a tremendous financial effect on the entire basin. For example, an average field of barley yielding 3,000 pounds per acre grosses a farmer \$60 per acre. The same acreage planted to Durum would gross the farmer \$102 per acre. On 20,000 acres the gross income from barley would be \$1,200,000—Durum wheat would gross \$2,040,000.

4. *Farm sizes.*—It is unfortunate that the Tululake homesteads were not allotted to veterans in larger acreages. Had they been allotted 120 to 130 acres instead of an average of 70 acres, these veterans could, even under the present farm crises, have made a living for themselves and their families. However, with their present acreage and low commodity prices, this is impossible.

5. *Wheat acreage allotments.*—Most farm areas of the United States have been allotted acres for the production of cotton, tobacco, wheat, rice, etc. Tululake homesteaders have not been granted this privilege. The Government has in effect protected other areas by equitable acreage allotments and price support programs. This has inadvertently penalized Tululake homesteaders by unintentionally encouraging farmers to plant their acres, diverted from wheat, cotton, and rice to barley.

6. *Frequency of wheat distribution.*—In 1957, 29 farmers on the Siskiyou side of the Tululake basin had a total of 108 allotted acres of wheat. On the Modoc side of the basin 135 farmers had 438 allotted acres. This averages 3.2 acres per farmer. Such an acreage allotted to any farmer is of no value.

7. *Pacific coast Durum requirements.*—With respect to the Pacific coast requirements for paste products such as spaghetti and macaroni the following computations demonstrate the soundness for the request for exemption from the wheat acreage allotment program.

The total population of the States of California, Oregon, and Washington, according to the 1955 census was 17,261,000. Predictions for 1960 are in excess of 20 million people. The 1958 per capita consumption of paste products was 7.3 pounds. This indicates that the west coast's domestic requirements in 1958 were 126,005,300 pounds of semolina. If the entire acreage of the Tululake Basin which is suitable for Durum production (40,000 acres) were planted only

85,800,000 pounds of semolina could be produced. Although 40,000 acres is an unrealistic figure we could assume that at least 20,000 acres would be planted in Tulalake, were farmers allowed to do so, this would supply 42 million pounds of semolina or only one-third of the west coast's domestic requirements.

The following are quotations from a letter from Paul Taylor of Sperry Operations, General Mills, Inc., San Francisco, Calif., to K. G. Baghott, agriculture extension agent, Tulalake, March 5, 1959.

"In reply to your recent inquiry about the potential consumption of Durum products in the 11 Western States, we estimate this to be 1,100,000 hundredweight annually. In terms of bushels of Durum this is probably 2,500,000 bushels, or roughly about 8 to 10 percent of the total U.S. consumption.

"With specific reference to Durum grown in the Tulalake area, we will continue to buy it as we have in the past 3 years, provided the quality is suitable for use in Durum flour.

"The production of Durum in your Tulalake Basin has been an interesting development and we believe the continued production of Durum will be mutually beneficial to growers and consumers alike."

8. *West coast markets developed.*—Tulalake Durum wheat cannot compete with North Dakota, Minnesota, or Montana Durum due to the fact that freight rates prevent the movement east to Midwest millers. However west coast markets have been developed which will purchase all Durum grown in the area for west coast consumption. This is not taking a market away from anyone, instead a new market has been developed.

9. *Planting of more Durum urged by industry.*—Contrary to Department of Agriculture officials statements that all wheats are in surplus, R. W. Green, executive secretary of the National Macaroni Manufacturers Association stated recently in Fargo, N. Dak. that 1.5 million acres of Durum need to be seeded in 1959 producing an average of 20 bushels per acre in order to stay on Durum standard. Mr. Green points out that hard wheat is in surplus but Durum is in short supply. This year 11 percent more macaroni was produced than in any other previous year. Per capita consumption of macaroni products rose from 6.6 pounds in 1957 to 7.3 pounds in 1958.

NATIONAL MACARONI MANUFACTURERS ASSOCIATION,
Palatine, Ill., March 6, 1959.

Mr. K. G. BAGHOTT,
*Farm Adviser, University of California College of Agriculture Extension Service,
Tulalake, Calif.*

DEAR MR. BAGHOTT: Thank you for your letter of March 3 and your interest in Durum.

Since the first of the year, the National Macaroni Manufacturers Association, the Durum millers, the North Dakota Extension Service, the Northwest Crop Improvement Association and others have been conducting a vigorous campaign for more Durum.

The reasons are two-fold: macaroni sales in 1958 were the largest on record—1,266 million pounds—11 percent more than in 1957 and 11 percent more than the previous high record year of 1948 when the industry was working around the clock on export business. At the same time Durum acreage was the smallest on record since 1919. Only a record yield helped avert a serious shortage.

It is our estimate that 1958 usage totaled 30 million bushels—the record yield production of 22,077,000 bushels leaves a deficit of almost 8 million bushels. Fortunately the CCC has stocks that may make up this difference, but there are questions as to how much the CCC has, where it is, and what condition it might be in. We are of the opinion that some of the stocks might very well be sprout-damaged wheat from the 1957 harvest.

The semiannual Durum wheat report issued by the U.S. Department of Agriculture in late February said: "1958 Durum production of 22.4 million bushels—when added to the estimated carryover on July 1—gave a total supply of 49.4 million bushels. While the amount would appear ample to provide for the Nation's needs, it was reported that CCC owned 13.3 million bushels of Durum on January 1, 1959, and it is not known how much of the 1958 crop has been placed under loans with that agency. (Approximately 8 million bushels of this inventory are stored at country points—binsites and country elevators—and 5.3 million bushels are in store at Minneapolis, St. Paul, and Duluth terminals.)

"Those in the industry are quite concerned with the sharp drop in production in 1958 in view of the fact that per capita consumption of Durum products is on the increase and was at an all time record high in 1958. The mills have been

plagued by short supplies at times since 1948 when production of Durum started to decline steadily. It reached a low point of 5 million bushels in 1954-55 when the crop was nearly wiped out by rust. Last year's damage from disease was not a problem and overall weather was favorable."

The mill grind, reported on a crop-year basis for 1957-58, is listed at 21,463,100 bushels of Durum. If a calendar-year basis is used, the way macaroni consumption is reported, this is the way it looks:

	1957	1958
1st 6 months, January-June.....	8,039,573	11,325,880
2d 6 months, July-December.....	10,137,220	11,864,151
Total.....	18,176,793	23,190,031

This is an increase of 12.75 percent—better than the 11 percent increase reported for macaroni consumption.

At the North Dakota State Durum show in Langdon February 11 and 12, a newly formed group, the Durum Growers Association, went on record favoring a board that would consist of macaroni manufacturers, Durum millers, and Durum growers, to set planning goals based on sales prospects and carryover situation. We feel that such a move would be a strong step in the right direction.

We don't know very much about the extent of Durum production in California, the varieties grown, or where it is milled. We would be interested in any information you could send us. Similarly, if we can supply you with any further information, please call on us.

Cordially yours,

ROBERT M. GREEN, *Secretary.*

H. E. Kuehn, executive vice president of King Midas Flour Mills, stated recently in Minneapolis "the macaroni industry may be faced with a severe Durum shortage next year." Ironically if this happens it will occur on the crest of a tremendous upsurge in demand for macaroni products, which are the principal outlet for Durum.

The U.S. Durum crop in 1958 was 22,077,000 bushels while domestic milling requirements, cereal, seed and miscellaneous needs furnished a minimum demand of at least 30 million bushels last year.

10. *Financial soundness of Durum for Tulalake.*—The fact that the acreage of Durum wheat grown in Tulalake could never adversely effect the national Durum situation, should be given due consideration. Acreage limitations minimize this possibility. Durum, of millable quality, cannot be grown elsewhere on the west coast. This market should be at least partially satisfied. The crop has proven itself to be the only cereal which offers sufficient financial returns to Tulalake farmers to alleviate a financial crisis.

11. *The effect of 1958-59 Durum program on the Tulalake Basin's economy.*—The 1958-59 Durum wheat legislation allots a maximum of 8,000 acres of Durum, out of the price-support program, to Tulalake farmers. This program only included the 1958 and 1959 growing seasons. Where such a small acreage is distributed to 450 farmers it leaves each of them with less than 18 acres. This is not sufficient acreage to work into a crop rotation program nor is it adequate to supply the economic needs of a farm family.

However, this acreage was of considerable value for the purpose of maintaining the west coast Durum market. But it failed to accomplish, as it was designed to do by the Congress, to establish an adequate wheat acreage allotment for 1960 and subsequent years for Tulalake Basin farmers.

SUMMARY

The request for the exemption of the Tulalake Basin from Federal wheat controls is actually a last resort taken by the farmers. They have repeatedly attempted to negotiate with the U.S. Department of Agriculture in an effort to establish an equitable Durum wheat allotment for the basin. All efforts have been fruitless. The last attempt, in 1958, was to establish an acreage allotment without the benefits of price support. However the Department of Agriculture interpreted the legislation in such a manner that very little wheat his-

tory would be established and as a result Durum wheat as an industry to the west coast and a profitable crop to the Tulalake Basin farmers will be lost.

Proof has been presented to the Department of Agriculture officials which shows that Tulalake cannot possibly produce enough Durum to satisfy the west coast's milling and consumption needs (refer to No. 9 and enclosures). The limited area that Durum wheat can be grown, on the west coast, eliminates any possibility of completing with Midwest-grown Durum. Tulalake Durum is suitable for milling. A new west coast market has been developed and the present farm crisis in Tulalake would be greatly alleviated if a permanent wheat program is granted to Tulalake farmers.

Respectfully submitted.

JAMES G. STEARNS,
Chairman, Tulalake Durum Wheat Committee.

Enclosures.

CALIFORNIA FARM BUREAU FEDERATION,
Berkeley, Calif., January 23, 1957.

HON. CLAIR ENGLE,
*U.S. Congressman,
House Office Building, Washington, D.C.*

MY DEAR CONGRESSMAN ENGLE: We understand that you may introduce a bill in Congress which will give a permanent Durum wheat allotment to the Tulalake area of Siskiyou and Modoc Counties.

We want you to know that through resolution at our annual meeting, the California Farm Bureau Federation has expressed itself in favor of this action.

The reasons for the favorable action of the California Farm Bureau Federation are as follows: The size of the farms in this reclamation area average less than 80 acres and due to the altitude, there are very few alternate crops. By experiment it was found that Durum wheat production was feasible, and the growers there are in need of this crop because it brings more money per acre and allows them to make a living on limited acreage. It also may be pointed out that there is no surplus of Durum wheat on the west coast and last year's crop has all been sold on the open market.

Because this is a fairly new reclamation district, the area had not had time to develop a wheat history before allotments were put in effect. The total production in the area would be less than 10,000 acres which would have no effect on the overall wheat picture.

We would like you to know that we appreciate your interest in this matter and hope that it can be brought to a satisfactory conclusion.

Sincerely yours,

LOUIS A. ROZZONI, *President.*

CALIFORNIA FARM BUREAU FEDERATION,
Berkeley, Calif., January 11, 1957.

HON. EZRA TAFT BENSON,
*Secretary of Agriculture, U.S. Department of Agriculture,
Washington, D.C.*

DEAR SECRETARY BENSON: There is a situation in the Tulalake area, situated in northern California, lying partly in Modoc County and partly in Siskiyou County, that we believe needs special consideration in regard to a permanent Durum wheat allotment.

This area has very rich soil but lies at a considerable altitude and has few alternate crops which it can raise. In the past it has been a source of malting barley and for a number of years it has raised Durum wheat as they are the only source of Durum wheat for production of seminola in California and there is a demand here for production of seminola flour.

We would appreciate consideration of the particular problems involved and would be glad to furnish information at any hearings which you might see fit to call in order to consider the situation in this area.

The Tulalake area has been a reclamation project and most of the growers here are veterans who, due to the recent development, have not had opportunity to develop acreage allotments for this crop.

Sincerely yours,

RICHARD W. OWENS, *Secretary-Treasurer.*

GOLDEN GRAIN MACARONI Co., WEST'S LARGEST SELLING BRAND,
San Leandro, Calif., September 6, 1957.

Mr. K. G. BAGHOTT,
*Farm Adviser, University of California,
 College of Agricultural Extension Service, Tulelake, Calif.*

DEAR MR. BAGHOTT: In response to your request for a report on the Tulelake Durum which we used in the 1956-57 crop year, we wish to advise you that the Durum flour made from this California-grown Durum was very good, in spite of the fact, I understand, that there was frost damage last year.

We purchased, through General Mills, at least 50,000 hundredweight of this California-grown Durum from the 1956-57 crop, and the products made from it were comparable with products made from Durum grown in the traditional Durum areas of North Dakota. I understand that the 1957-58 crop is of even better quality than last year's, because there was no frost damage. I also understand that there will be approximately 150,000 to 200,000 hundredweight of Durum available from this crop. We will be able to use the entire amount grown in the Tulelake area, as we are the largest macaroni manufacturer in California.

I hope that you will continue to encourage the growers to plant Durum in the Tulelake area, because it will provide a new crop for the farmers in that area, and provide a new source of supply for us on Durum, so that we will not be dependent upon the Minneapolis market for our supply.

We are planning to purchase Tulelake Durum whenever offered, providing the price is competitive, and the quality is as good as the past 2 years. General Mills is also going to some expense to equip their mill to make an even better product out of Tulelake Durum.

If there is anything we can do by communicating with any Government agency to support the farmers in the Tulelake area, as far as obtaining a favorable legislation, please let us know.

Yours very truly,

V. DeDOMENCIO, *Secretary-Treasurer.*

CROWN MILLS,
 DIVISION OF CENTENNIAL MILLS, INC.,
Portland, Oreg.

Mr. K. G. BAGHOTT,
*Farm Adviser, University of California,
 Tulelake, Calif.*

DEAR MR. BAGHOTT: I am sorry I have been so slow in acknowledging your letter of September 5, 1957; but it got mislaid in my file and just came to my attention again today.

Based on present rate of usage we should grind 150,000 to 200,000 bushels of Durum wheat a year. The new crop samples we have seen from your area so far are excellent quality and, if the price is competitive with other areas, there isn't any reason why we shouldn't draw a substantial portion of our needs from your district.

We hope this gives you the information you need, but if we can be of further help please do not hesitate to contact us.

Sincerely,

KARL E. BUMGARNER, *Manager.*

SKINNER MANUFACTURING Co.,
Omaha, Nebr., March 10, 1959.

K. G. BAGHOTT,
*Farm Adviser, Cooperative Extension Work, Agriculture and Home Economics,
 Tulelake, Calif.*

DEAR MR. BAGHOTT: In regard to your letter concerning the need for Durum wheat for the macaroni industry, I must say that I feel that there is a definite shortage of good Durum wheat and that the acreage of Durum should be increased nationally.

I am enclosing a copy of the letter I just received from the International Milling Co. which they sent to all Durum representatives. You will note that they estimate that the total amount of free Durum for August 15, 1959, will be 3,832,000 bushels. They point out that this is a very short supply for milling purposes and that a good amount of this could be lost.

For your information legislation has been introduced in Congress by Senator Langer and Senator Young to permit any farmer who grows 100 percent Durum on his wheat acreage to have an increased acreage allotment. The amount of increase will be determined on the basis of the Durum supply situation each year based on the recommendations of an advisory board made up of Durum growers, Durum millers, and macaroni manufacturers. Any grower wanting to plant hard wheat could do so on his standard acreage allotment. This legislation would become part of permanent farm policy rather than an emergency measure to come up every year.

This legislation probably will not help this year, but the Northwest Crop Improvement Association with the assistance of the National Macaroni Institute has been giving plenty of publicity in the Durum area for the need for good Durum. Henry Putnam of the N.C.L.A. reports that there will be a Durum acreage increase but "probably not as large as desired."

I know that it is estimated that the CCC owns approximately 13,293,000 bushels of Durum. Only probably half of this amount is millable Durum. Certainly if there is only going to be 3,832,000 millable bushels of free Durum in August and 6 million bushels of Durum owned by CCC that will be available for the macaroni industry, this amount does not indicate any great amount as far as Durum is concerned.

In fact with the rising consumption of macaroni products, it is conceivable that this 6 and 3 million bushels will be reduced considerably by the time of harvest.

I hope this will give you sufficient information on the situation as I see it. I cannot understand the Department of Agriculture saying that there is a 20-million-bushel surplus of Durum wheat at this time. All of the figures I have seen do not indicate that.

As I mentioned before, the National Macaroni Institute feels so strongly about the shortage of Durum that they are spending considerable time telling the farmers of North Dakota that there should be additional acreage planted to Durum.

If there is any other help I can give you, please feel free to ask me.

Sincerely yours,

LLOYD E. SKINNER, *President.*

MARCH 3, 1959.

Letter to all Durum representatives:

The Durum supply and demand picture continues to look very tight. We have prepared a new tabulation which you will find below:

		<i>Bushels</i>
U.S. Department of Agriculture estimate Durum stocks, July 1, 1958-----		27, 000, 000
Production 1958-----		22, 375, 000
Total-----		49, 375, 000
Durum grind July 1 to Dec. 31, 1958-----	11, 864, 000	
Cereal and feed-----	1, 886, 000	
		13, 750, 000
Estimated Durum on hand Jan. 1, 1959-----		35, 625, 000
Less CCC-owned Durum, Jan. 1, 1959-----		13, 293, 000
Free Durum, Jan. 1, 1959-----		22, 332, 000
Durum grind, Jan. 1 to Aug. 15, 1959-----	14, 500, 000	
Seed-----	2, 000, 000	
Cereal, feed, and other uses-----	2, 000, 000	
		18, 500, 000
Free Durum, Aug. 15, 1959-----		3, 832, 000

You will note that we are now estimating a free Durum supply as of August 15, 1959 of only 3,832,000 bushels. This is about a 60-day supply for milling purposes. This amount of Durum can easily be lost as residue stocks in country elevators, farm bins, etc. It appears quite likely that the domestic demand alone will force us into buying some of the CCC Durum stocks before new crop Durum is available for milling. If this should happen before July 1, it would mean a considerable advance in Durum costs which would have to be reflected in semolina and flour prices.

We would like to point out that the above projections make no allowance for any of the 1958 Durum crop being placed under loan or purchase agreement. It is reasonable to assume that some of the 1958 crop may have been put under Government supports. We have not been able to obtain these figures from the Government. It was June 30 last year before these figures were released. We are pressing the Government for this information. We will pass it on to you as soon as it is released.

We would also like to point out that the above estimates don't include anything for export. We don't anticipate any export demand for Durum, but if such demand should develop, it would be extremely bullish.

Last November we sent you a graph which clearly showed the relationship of the Government selling price for CCC Durum stocks versus the cash market and the gross loan value. We can think of no better way of telling the Durum story. We are attaching a similar graph which brings the cash market information up to date.

All of the above information points to a stronger Durum market in the months ahead. The feed market is firm at the present time. We don't anticipate any appreciation in long-term feed values. You should encourage your accounts to cover their requirements for at least 120 days.

INTERNATIONAL MILLING CO.

Mr. STEARNS. Thank you for making that a part of the record. I will refer to a few things in there and I would like to touch for just a minute on the history of this proposition.

Senator YOUNG. Could I ask you a question first, Mr. Stearns. How much Durum wheat production in California do you expect and can it be expanded?

Mr. STEARNS. I turned in a couple of maps to the committee here the other day, if they are available, and they will demonstrate that very carefully. I have one small map here that I could show you.

Senator YOUNG. It can only be grown on a limited acreage?

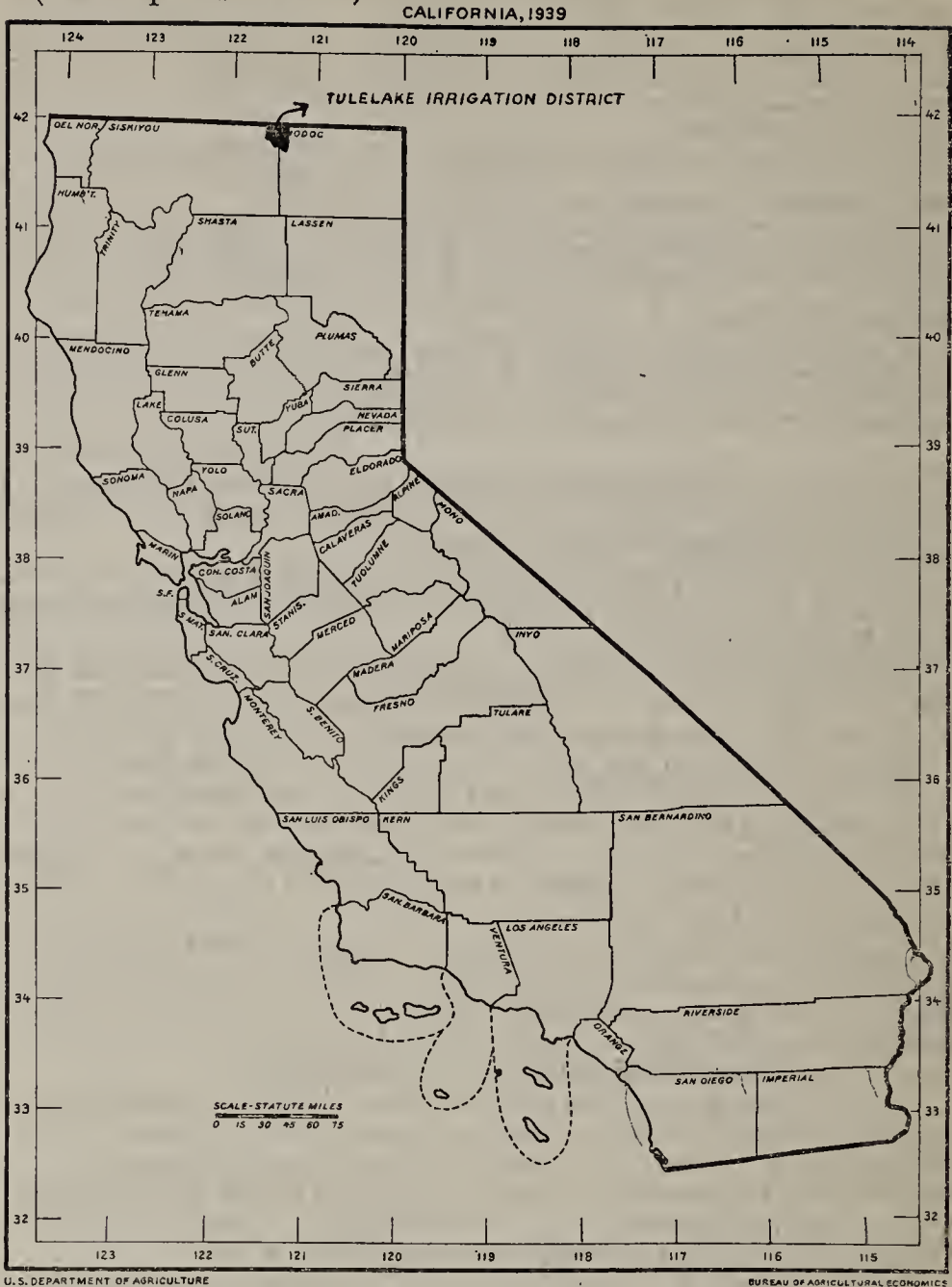
Mr. STEARNS. The University of California has determined through their series of experiment stations and extension service that Durum wheat cannot be grown in any place in California except in Tulelake Basin. It is an irrigation district and S. 623 has limited this to Tulelake Irrigation District.

To define it in figures, it is a lake bed of approximately 90,000 acres and after it has been drained, irrigated, and the ditches and drains and roads and sump areas and other deletions are considered—we have a pretty substantial fish and wild life refuge—leaves a deeded land area of approximately 45,000 acres of farmable land.

Durum wheat is one of the rotation crops. There are two row crops produced there—potatoes on about a quarter of the acreage and limited acreage of onions and further limited acreage of horseradish. The legumes that are necessary to maintain fertility of the soil in the basin take up another quarter. This [indicating] is the size in the area of California in which it is possible to raise Durum wheat.

Senator YOUNG. I do believe that map should be made a part of the record.

(The map is as follows:)



Mr. STEARNS. That is a map of Tulelake District showing individual farms, names of all the people who have them, and it demonstrates there are about 450 individual farmers in the basin with an average homestead farm unit size of about 70 acres, so there are quite a lot of people involved here and the area is very definitely limited geographically.

I heard the previous testimony and the question was asked about how hard millable Durum wheat was arrived at and it appears that the same peculiar circumstances necessary to produce a high-quality

millable Durum wheat are present here in the Tulalake Basin and that seems to be the only place in California where it can be grown.

The University of California testified before this committee last year that that was the case and we have nothing in the meantime to indicate otherwise.

Senator YOUNG. What would you say would be the limit of the number of acres that would go into Durum wheat production?

Mr. STEARNS. The maximum number that could go into Durum wheat would be the number of acres that are presently devoted to other small grains. If every last acre went into Durum wheat, that would mean a complete 100-percent switch from the present malt barley to Durum wheat, which we do not anticipate because these areas down here [indicating] are not subject to irrigation other than flooding in the wintertime, and to raise a high-quality millable Durum in this area, we need to irrigate it at least twice in the summer, which we can't do in this area down here, so all factors being considered, I think 20,000 acres under the absolute ultimate development would be the maximum amount of Durum wheat that could ever be raised there.

Our average yield is approximately 50 bushels, about 3,000 pounds per acre, and that figure, times 20,000, and I am talking now of as far as I think it could ever go, would be 1 million bushels of Durum wheat.

Senator YOUNG. I think there is another unusual situation there, too. Wasn't this irrigation project settled 100 percent by veterans?

Mr. STEARNS. Yes; it was. This map demonstrates it, although not broken down into various ones—about seven public notices here—and this northwest corner of the map was settled by World War I veterans beginning at about 1923. Subsequent to that, there were about four more openings or five moving down in this general area [indicating] to a last one in 1937 that moved over here. Then in 1947, this area on the east side of the lake was opened to veterans of World War II. That is under a combination of the reclamation laws and old Homestead Act and then, in 1948, this area that we call Cobbic Bay here, was let out in homesteads and in 1949, this little area called the Panhandle and this area up here [indicating] was let.

In this area in the center is some of the richest and finest land in the lake and it is part of the Tulalake Wildlife Refuge. We have a large community quarrel going there. We feel that should be placed in private ownership as it is some of the best land.

I would like to say now that last year Mr. Baghott and I gave, as part of the record of this committee, just about all of the factual information that I think the committee could possibly need to substantiate the dire economic need of the community, and the fact that I think that this is a very excellent reasonable proposal from all points of view was included; so if the committee can refer back to last year's testimony on that, Senator, I will quit with that for now.

Senator YOUNG. If you want anything additional inserted in the record as part of your remarks, you can leave it with the committee and it will be made a part of the record.

Mr. STEARNS. Thank you.

I would like now to make a short statement in support of S. 1282. S. 1282 has been introduced more recently in the Senate than the bill I have just been talking about and I have had occasion lately to go

over it from one end to the other with other people in the Durum wheat industry and I would like to say for the California side of the thing, that I think that the advisory commission approach that S. 1282 involves is a very excellent idea from several points of view.

I think that the mass of legislation that has concerned Durum wheat during the last 4 or 5 years has pointed up one thing, if it has pointed up nothing else, and that is the fact that Durum wheat cannot be measured as a part of the whole wheat program. Durum wheat is a separate commodity, has separate production problems and all of the rules that apply to other wheat do not apply to it.

This is probably the best piece of legislation that is being proposed to solve that whole problem of taking the Durum situation separately. It has another advantage, as I see it, and I think that this should recommend it most particularly to the Department of Agriculture as an experiment, if nothing else.

This bill implemented by the advisory committee that it creates would give a whole segment of an industry a chance to police itself. The Congress, a few years ago, turned the Philippine Islands loose. You supervised them long enough to see that they were able to make it all right, but nonetheless, you let them police themselves and run their own show pretty much. In effect, that would do this with Durum wheat. The Department of Agriculture would still be in a position of control on it most certainly, but there would be people from the industry that would be responsible to see that no more than enough, but enough, Durum wheat was produced for the demand.

I would like also to point out to the Department of Agriculture if that committee turned out irresponsible or all of the things that people seem to fear, they could be done away with just as easily as they have been created by this Congress.

In the case of the National Grazing Advisory Board and the management of some of our public lands in the West, the advisory committees of people in the industry that are created there have worked wonderfully. I know of no public land program in Interior that works as well as the advisory committees of the industry working with the Department of the Interior and I can see no reason under the sun why this would not be exactly the same thing.

Senator YOUNG. Does that complete your testimony?

Mr. STEARNS. That is all I had to say.

Senator YOUNG. Thank you. We appreciate your coming here very much.

I think we have one more witness, Mr. Manwaring, Department of Agriculture.

Mr. MANWARING. If you desire, Senator, we are here at your pleasure, whatever you would like us to do.

(Discussion off the record.)

Senator YOUNG. Would you like to make a brief statement as to the views of the Department on these various bills? You say the Department has not reached a decision on S. 1282 and we could let that one go.

STATEMENTS OF H. LAURENCE MANWARING, DEPUTY ADMINISTRATOR FOR PRODUCTION ADJUSTMENT; AND J. ALTON SATTERFIELD, GRAIN DIVISION, COMMODITY STABILIZATION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. MANWARING. I would have to leave out discussion on S. 1282 because we have not reached a decision on that. Perhaps we should give you, Senator Young, a copy of the Department's report on 1208.

Senator YOUNG. That will be made a part of the record, as well as the Department's report on 623.

Mr. Satterfield is with me.

Senator JOHNSTON. Go right ahead.

Mr. MANWARING. Senator, I do not have a statement. We thought we had given you a report on S. 623 and S. 1208. We find we do not now have the report on S. 1208 to you, is that correct?

Senator JOHNSTON. No; I have not seen it.

Mr. MANWARING. There is one.

Senator JOHNSTON. Proceed any way you want.

Mr. MANWARING. Both of these reports indicate that the Department is in opposition to these bills. Perhaps we should take them one at a time.

(The reports referred to above are as follows:)

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 18, 1959.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate.

DEAR SENATOR ELLENDER: This is in reply to your request of January 26, 1959, for a report on S. 623, a bill to exempt the production of Durum wheat in the Tulalake area, Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

This Department does not recommend the enactment of S. 623.

S. 623 would amend section 334 of the Agricultural Adjustment Act of 1938, as amended, to exempt the production of Durum wheat (class II) in the Tulalake area of Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota provisions of the act, effective with respect to the 1960 and subsequent crops, and to make ineligible for price support Durum wheat (class II) of the 1960 and subsequent crops produced in such area.

Our primary objection to the enactment of this bill stems from the fact that it would establish a precedent which could be used by producers of other classes of wheat, as well as producers of other commodities, as a basis for similar requests for exemption by legislative action. Such requests, if granted, could work to the disadvantage of producers of the commodity in other areas and would be inconsistent with the real purpose and objectives of the production adjustment programs.

It is our opinion that the enactment of this bill would be unfair to producers of Durum wheat (class II) in areas outside the Tulalake area of California, because unrestricted production of Durum wheat in the Tulalake area would result in a considerable increase in the acreage seeded in such area and a substantial reduction in the movement of macaroni products from other areas of production to the west coast. We believe that the potential production of Durum wheat in the Tulalake area is adequate to supply the entire needs of the macaroni industry on the west coast.

With the carryover of all wheat at the beginning of the 1959-60 marketing year currently estimated at approximately 1.3 billion bushels, an all-time record high, and with the carryover of Durum wheat estimated to be almost as large as the production in 1958 of 22 million bushels, we feel the supply of Durum wheat for the 1960-61 marketing year will be more than adequate to meet all anticipated requirements without the enactment of legislation such as contained in S. 623.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 20, 1959.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate.

DEAR SENATOR ELLENDER: This is in reply to your request of March 3, 1959, for a report on S. 1208, a bill to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

This Department does not recommend the enactment of S. 1208.

The provisions of this bill are practically identical with those contained in Public Law 85-13, approved April 2, 1957, which pertained to the 1957 crop of wheat. The bill would amend section 334(e) of the Agricultural Adjustment Act of 1938, as amended, to provide that the Secretary shall increase the farm acreage allotments and marketing quotas for the 1959 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties capable of producing Durum wheat (class II) and which have produced such wheat for commercial food products during one or more of the years 1952 through 1958. The increase in the wheat acreage allotment for any such farm would be conditioned upon the production of Durum wheat (class II) on such increased acreage.

The increased allotment for eligible farms would be determined by adding to the original allotment established for the farm an acreage equal to the acreage by which the original allotment exceeds the 1959 acreage on the farm of classes of wheat other than Durum wheat (class II), but not in excess of the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm. Only those farms having an original allotment of 15 acres or more and producing Durum wheat (class II) other than the varieties known as Golden Ball and Peliss would be eligible for an increased allotment. No farm allotment would be increased by more than 60 acres and no farm allotment would be increased if the producer knowingly devoted to the production of other wheat an acreage in excess of the original allotment established for the farm.

The increases in wheat acreage allotments which this bill would authorize would be in addition to the National, State, and county allotments, but such increased allotments would not be considered in establishing future State, county, and farm acreage allotments. Provision is made in the bill whereby any reduction made in the wheat acreage on a farm for the purpose of reducing stored excess wheat, such reduction would apply to the original allotment established for the farm and not to the increased allotment.

We question the applicability of the language on lines 15 through 22 of page 3 of this bill since the acreage reserve phase of the soil bank program has been permitted to expire.

Our objection to the enactment of this bill stems from the fact that the supply of Durum wheat for the 1958-59 marketing year is adequate to meet all domestic and export requirements and leave a sizable carryover. The carryover on July 1, 1959, is currently estimated at 21 million bushels, of which at least 15 million bushels is expected to be in the Commodity Credit Corporation's inventory. On the basis of the expected production of Durum wheat in 1959 from seedings under the existing acreage allotment program, the total supply of such wheat for the 1959-60 marketing year would be about 1½ times larger than the anticipated utilization. Thus, the carryover on July 1, 1960, would amount to about 15 million bushels which would still be substantially above a normal carryover for Durum wheat.

The enactment of this bill at a time when the expected carryover of Durum wheat will exceed the expected carryover of one of the more prominent classes of wheat, Soft Red Winter, would establish a precedent which could be used by the producers of such other classes of wheat as a basis for requesting similar legislative action to increase their wheat acreage allotments. The carryover of Soft Red Winter wheat on July 1, 1959, is now estimated at 16 million bushels which is equal to slightly more than 11 percent of normal domestic requirements and slightly less than 9 percent of total disappearance for this class of

wheat. In the case of Durum wheat the estimated carryover on July 1, 1959, is equal to about 75 percent of normal domestic requirements and about 72 percent of total disappearance.

With the carryover of all wheat at the beginning of the 1959-60 marketing year currently estimated at approximately 1.3 billion bushels, an all-time record high, and with the carryover of Durum wheat estimated to be almost as large as the production of such class of wheat in 1958 of 22 million bushels, we feel that the supply of Durum wheat for the 1959-60 marketing year will be adequate to meet all anticipated requirements and leave a sizable carryover at the beginning of the 1960-61 marketing year without the enactment of this bill.

It is believed that the enactment of this bill would result in the need for an additional \$23 million in carrying out price support operations on Durum wheat for the fiscal year 1960.

We are advised by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

Senator JOHNSTON. However you want to proceed. Go ahead.

Mr. MANWARING. Suppose we talk about S. 1208 first. That is a bill to permit farmers to increase their plantings of Durum wheat in 1959. We feel as though such legislation is unnecessary because we already have on hand and anticipated production in 1959, a sufficient supply to meet the needs as indicated by past disappearance.

Our records indicate that we have on hand or did have on hand about the first of January, 21 million bushels of Durum wheat, including the 13,300,000 approximately in CCC stocks. If farmers plant the 1,273,000 acres anticipated for 1959, at a yield of around 16 bushels, we would produce some 20,400,000 bushels in 1959, which would give us around 41,400,000 bushels available for use.

If we should get a yield similar to last year's yield of 20 bushels, we would have a production of some 25,460,000 bushels, which would give us a supply of 46½ million bushels, or something on that magnitude, which would mean we would then carry over into next year about 16 million bushels, 15 to 16 million bushels of Durum wheat.

We are concerned that if we should have a supply of that kind, we would not deplete CCC stocks, but would add to them because production would not be used in the manufacture of macaroni and macaroni products. Therefore, we feel this is not needed. We will likely have adequate stocks.

Our second reason for opposing this bill is that it will encourage other groups who feel as though they have a specialty product to want the same treatment as Durum producers would get. At the present time, we have in CCC stocks, only about 2,200,000 bushels of Soft Red Winter wheat. We ordinarily use some 187 million bushels of Soft Red Winter wheat. We have only a small carryover of 16 million bushels. We feel as though the people who produce Soft Red Winter wheat would be justified in indicating they would like to increase their production.

In connection with S. 623, which is a bill to permit unrestricted production of Durum wheat in two counties of California, the reasons are about the same. We have enough and we do not need the amount that could be produced in that area. We feel as though unrestricted production would divert production and use from one area to another and, therefore, are in opposition to S. 623.

I do not know if Mr. Satterfield would want to add to that or not?

Mr. SATTERFIELD. No; I believe not.

Mr. MANWARING. Senator, we would be glad to answer any questions.

Senator JOHNSTON. I do not think there are any. We will wait a few minutes to see if Senator Young will be back.

(Discussion off the record.)

Senator YOUNG. Why is the Department opposed to the California bill?

Mr. MANWARING. Senator, we indicated on the record that we were opposed to the California bill for the same reason we were opposed to S. 1208, because we do not need the production and because it will encourage other groups to want to do likewise.

Senator YOUNG. Other groups where?

Mr. MANWARING. It could be other groups who produce Soft Red Winter wheat, for example, where we appear to be in short supply compared to the total amount that is used each year. I do not know whether there would be other commodities or people located in reclamation areas who would like to grow some other allotment crop because it is best suited to the reclamation area.

Senator YOUNG. What position did the Department take a year ago on their bill?

Mr. MANWARING. A year ago we took the position we were opposed to the bill, but we would have no objection to a bill which would provide a nominal acreage for that California area and at a later date in hearings, I think that nominal acreage was determined to be 8,000 acres and that was put in the legislation.

Senator YOUNG. They will not wind up with 8,000 acres though. Their allotment is far less than 8,000.

Mr. MANWARING. Their allotment was 8,000, but their planted acreage for 1958, due to the lateness of the legislation, I think that is right, was some 5,300 acres.

Now, they have indicated that they have requests for somewhere in the vicinity of 10,000 to 12,000 acres for 1959. For 1959, however, they will be limited to 8,000 acres and this present bill is to extend legislation without any limitation.

Senator YOUNG. Mr. Chairman, I wonder if it would be permissible to have Mr. Stearns comment? I think it would be helpful to the committee.

Senator JOHNSTON. Yes.

Mr. STEARNS. Mr. Chairman, as Mr. Manwaring said, the bill was 8,000 acres and I might have misinterpreted it, but I believe that the intent of this committee, when we went over this last year, was to establish an acreage of around 8,000 acres as an allotment for the basin. But the way it works for 1960 and subsequent years, is this: We have no history to base the formula on, so the 4 previous years' crops, save the last one, are averaged and then the county factor is applied and when this is done with the acreage that we will have in 1960, it comes out between 2,500 and 3,000, so we no longer have our 8,000. At the same time, we are faced with a situation where our market can absorb infinitely more than we are producing without any harm to any other Durum area at all.

Senator JOHNSTON. You go back on your history.

Mr. STEARNS. But we do not have any history to base the allotment on and that is what hurts us. As Mr. Manwaring said, we had 5,300

acres last year and we tried to accomplish the impossible, which was to get an allotment bill through the Congress ahead of planting time and it is a very difficult thing to do and we were about 3 weeks late with it. This, coupled with the fact that we did not have enough seed to plant any more than that, we came up with 5,300 acres.

This year we will have very nearly the 8,000 acres and the allotments have been passed out, unless someone who has taken 20 or 25 acres, at the last minute does not plant it. If that is the case, the whole valley will lose.

Senator JOHNSTON. I see, this does not run into really big acres, but, at the same time, I can see where you people have been planning for them to plant and then if they back out of it, it is going to hurt you.

Would it hurt to extend the 8,000 acres for another year?

Mr. MANWARING. Senator, last year we indicated we would have no objection to a nominal acreage for 1958, 1959, and subsequent years in our testimony and the nominal acreage that as decided upon was 8,000.

Senator JOHNSTON. So you would not object to that? He says it is going to hurt them next year.

Mr. MANWARING. I am not in a position to say we would not object because that has not been considered by the Department, Senator. We considered only the bill as it was.

Senator JOHNSTON. I can see your point about turning them loose without any limit but, at the same time, I can see the other side where if you cut them back from the acreage they are already planting, which has been small acreage, just a small thing, it will hurt them. Can we keep that 8,000 for the next year or extend it some way?

Senator YOUNG. In the past legislation, they were not permitted price supports. They planted without price supports.

Senator JOHNSTON. You do not mind doing that at all, do you?

Mr. STEARNS. We do not need price support, Senator, in our area and we are entirely willing to forego price supports.

Senator JOHNSTON. If we could extend it then for 2 years, then you would get ahead and look at what you are doing and without price supports, I cannot see much objection to doing that.

Mr. STEARNS. If we did that, it would be fine.

Senator JOHNSTON. What do you think?

Senator YOUNG. I think something like that should be done to tide them over at least until legislation such as we have introduced here could become law.

Senator JOHNSTON. Have it for 2 years and after that, history would come in.

Mr. STEARNS. While you were absent, I testified in favor of Senator Young's bill on the advisory committee approach, on the basis that the advisory committee that it creates, is the strength of the bill and the really fine factor in that it gives the industry a chance to prove to the world that it not only can, but will do a good job of policing itself and seeing to it that not only enough Durum wheat is produced, but that not too much is produced.

Senator JOHNSTON. If we limit it to 8,000 for the next 2 years, that would give them time for that advisory committee to look into it and see just what to do in the future. It seems to me that may be the solution. I am not here recommending anything.

Mr. STEARNS. As I pointed out while you were absent also, under the maximum and ultimate development of the Basin, the most that we could ever raise would be 20,000 acres under our crop rotation program. As I say, it is a reclamation area and we are bound by the excess land provisions and the law says that our places are going to stay small, that is all, and if we did produce that, the amount of wheat we would produce, under the ultimate developments several years in the future, it would be approximately one-sixth of the demand on the Pacific coast for macaroni products and would be between 3 and 4 percent of the amount of Durum presently estimated by the industry as needed to meet the demand.

So, we are not talking about very much wheat so far as California is concerned. That would be the maximum that the area could ever produce. It is a lake bed and you get into the rocks immediately when you go over the boundary line of the irrigation district.

Senator YOUNG. They do have a special problem I think which is entirely different from any other that I ever saw come up in the while I have been on this committee, which is 14 years. That is the reason why I did not oppose it last year. I ran some risks too, because I have many Durum farmers in North Dakota and I should not be approving extra Durum wheat acreage for other areas. I do think you have a special case.

Mr. STEARNS. I think the Department of Agriculture recognizes there is a special circumstance there but I can understand their reasons for opposing this legislation.

Senator JOHNSTON. I can see it but, at the same time, it will work a hardship there. I can see that too.

Are there any other questions?

Senator YOUNG. I do not think so.

Senator JOHNSTON. I think this is all then. We certainly want to thank you all for coming here today. Incidentally, did Senator Engle submit his statement? He called me and talked with me and he is very much interested naturally in this. He is coauthor of the bill, that is, S. 623, and he asked me to tell Senator Young that he supports his bill and he asked to be permitted to bring a statement and file it with this committee. I know there is no objection to it.

Senator YOUNG. Thank you, Mr. Chairman.

Senator JOHNSTON. If there are no further questions, we will stand adjourned.

(Whereupon, at 12:35 p.m., the subcommittee was adjourned.)

STATEMENT FILED BY HON. CLAIR ENGLE, A U.S. SENATOR FROM THE STATE OF CALIFORNIA

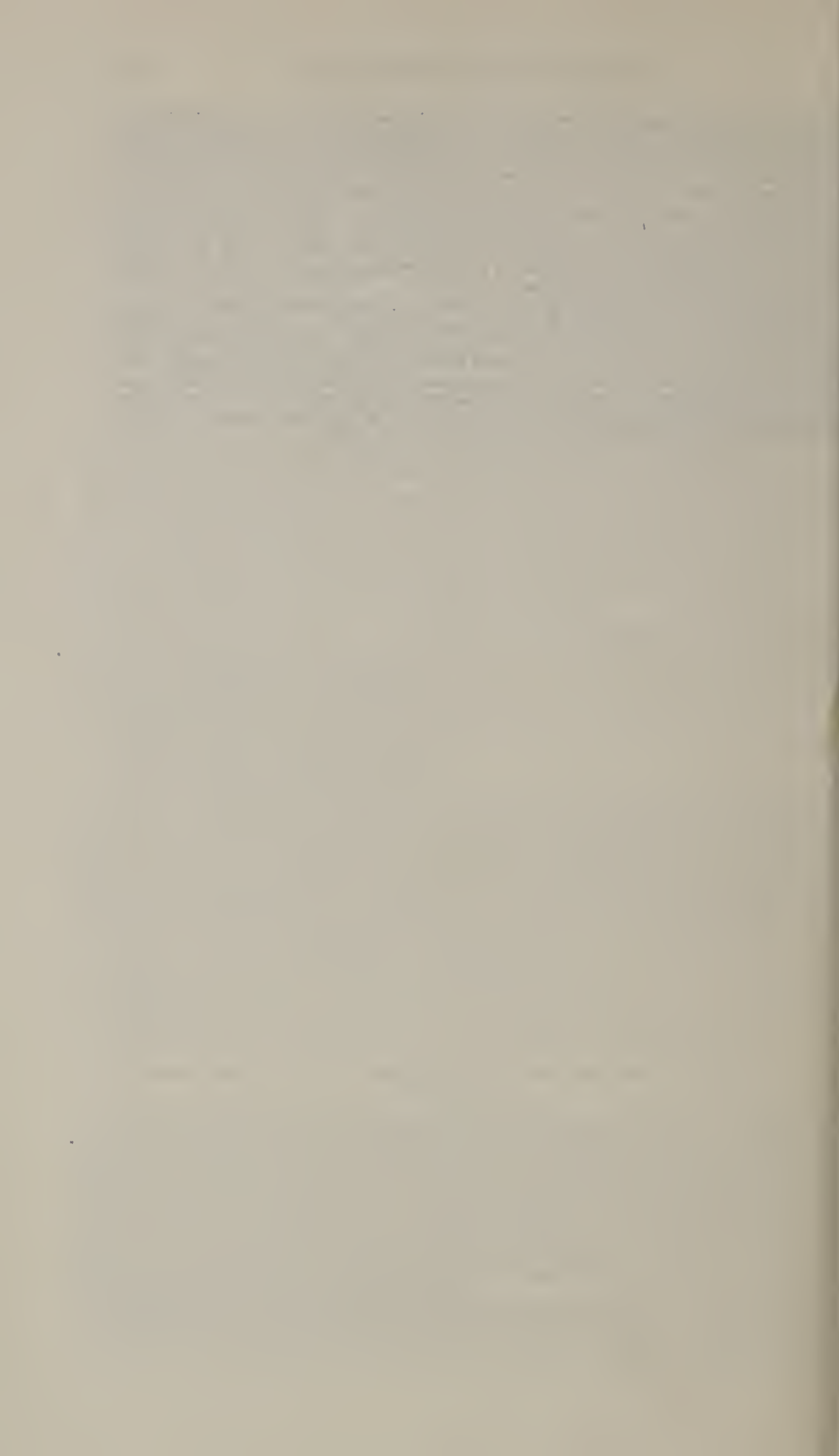
Mr. Chairman, I appreciate the opportunity to inform you of my strong support of S. 623 and S. 1282. As a cosponsor of S. 623 with Mr. Kuchel, I believe that this proposal is essential to the welfare of the farmers in the Tulalake Basin of California. As has been pointed out already to the committee, the request for the exemption of the Tulalake Basin from Federal wheat controls is actually a last resort taken by the farmers. If an equitable Durum wheat allotment could be obtained, such as a minimum for the area of 15,000 acres for 1960 and subsequent years, the need for exemption from controls would be lessened. Unfortunately, all efforts to obtain this allotment through negotiation with the Department of Agriculture have been unsuccessful.

The demand for Durum wheat in the west coast market has increased so markedly that the farmers in the Tulalake Basin are eager to increase the acreage of Durum wheat for future years. Since all the Durum wheat pres-

ently raised has been sold at a good price, this production makes a significant contribution to the economic welfare of northern California. Recent market studies show that the total acreage for the Tulalake Basin, which is approximately 45,000 acres, could be planted to Durum wheat without satisfying the west coast market. Thus there is great potential for even more of a stimulus to the State's economy than we are now achieving. Since the area where Durum wheat can be grown in California is limited, the fear of Tulalake Durum competing with Midwest-grown Durum is not a valid argument. In any event, there is a great need for a premanent Durum wheat program for the Tulalake area and other Durum-growing areas.

With regard to S. 1282, introduced by Senator Young of North Dakota, it has some excellent provisions which would supplement the provisions of S. 623. Most important is the creation of an advisory committee appointed by the Secretary of Agriculture from those concerned with the process of growing and milling Durum wheat and manufacturing macaroni or similar products. This committee should do much to create a stable situation with regard to Durum wheat production. With the establishment of a rational and equitable policy, we would arrive at a settlement satisfactory to all parties concerned.

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LEGISLATIVE HISTORY

Public Law 86-385
S. 623

TABLE OF CONTENTS

Index and summary of S. 623	1
Digest of Public Law 86-385	2

INDEX AND SUMMARY OF S. 623

- Jan. 23, 1959 Sens. Kuchel and Engle introduced S. 623 which was referred to the Senate Agriculture and Forestry Committee. Print of bill as introduced.
- Aug. 5, 1959 Senate committee voted to report (but did not actually report) S. 623.
- Aug. 11, 1959 Senate committee reported S. 623 with amendments. S. Report No. 649. Print of bill and report.
- Aug. 19, 1959 Senate passed S. 623 as reported.
- Aug. 20, 1959 S. 623 was referred to the House Agriculture Committee. Print of bill as referred.
- Jan. 28, 1960 House subcommittee voted to report S. 623.
- Feb. 4, 1960 House committee voted to report S. 623.
- Feb. 8, 1960 House committee reported S. 623 without amendment. H. Report No. 1254. Print of bill and report.
- Feb. 15, 1960 House passed S. 623 without amendment.
- Feb. 20, 1960 Approved: Public Law 86-385.

DIGEST OF PUBLIC LAW 86-385

DURUM WHEAT PRODUCTION IN TULELAKE AREA, CALIFORNIA. Amends section 334 (i) of the Agricultural Adjustment Act of 1938, as amended to provide a 2-year extension (for the crops of 1960 and 1961) of the existing provision for a special durum wheat acreage allotment for the Tulelake division of the Klamath irrigation project in California. The acreage so allotted will count as history in determining future acreage allotments, may be planted only to durum wheat (class II), and the wheat produced on such acreage will not be eligible for price support.

86TH CONGRESS
1ST SESSION

S. 623

IN THE SENATE OF THE UNITED STATES

JANUARY 23, 1959

Mr. KUCHEL (for himself and Mr. ENGLE) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To exempt the production of durum wheat in the Tulelake area, Modoc and Siskiyou Counties, California, from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 334 of the Agricultural Adjustment Act of
4 1938, as amended, is amended, effective with respect to the
5 1960 and subsequent crops, by adding at the end thereof a
6 new subsection as follows:

7 “(j) Notwithstanding any other provision of this Act,
8 the Secretary shall exempt from the wheat acreage allotment
9 and wheat marketing quota provisions of this Act the pro-

1 duction of durum wheat (class II) in the portions of Modoc
2 and Siskiyou Counties, California, that comprise the area
3 known as the Tulelake division of the Klamath project of
4 California, as defined by the United States Department of
5 the Interior, Bureau of Reclamation. Notwithstanding any
6 other provision of law, durum wheat (class II) of the 1960
7 and subsequent crops produced in such area shall not be
8 eligible for price support as provided under section 101 of
9 the Agricultural Act of 1949, as amended."

A BILL

To exempt the production of durum wheat in the Tulelake area, Modoc and Siskiyou Counties, California, from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

By Mr. KUCHEL and Mr. ENGLE

JANUARY 23, 1959

Read twice and referred to the Committee on
Agriculture and Forestry

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

CONTENTS

Issued
For actions of

August 6, 1959
August 5, 1959
86th-1st, No. 132

Accounting.....10		
Acreage allotments.....12		
Appropriations.....8,13		
ASC committees.....2		
Atomic energy.....13		
Budget.....11		
Conservation.....9		
Contracts.....30,33		
Cooperatives.....4,26		
Cotton.....12		
Crop insurance.....31		
Dairy industry.....21,29	Information.....23	Personnel.....10,25
Drought relief.....14	Lands.....2	Postal service.....28
Durum wheat.....2	Legislative program.....22	Public Law 480.....22
Electrification....4,20,24	Loans, farm.....1	Recreation.....27
Employment.....25	Marketing.....4,26,29	Research.....18
Farm loans.....1	Milk.....21,29	Surplus grain.....32
Fisheries.....5	Monopolies.....21	Transportation.....6,16
Food stamps.....2	Nominations.....7	Virgin Islands.....17
Foreign trade.....16	Noxious plants.....2	Watersheds.....3,17
Forestry.....5,9,27	Organization.....27	Wheat.....2
Grain.....32	Peanuts.....2	Wildlife.....15,32

HIGHLIGHTS: Senate passed bill to extend authority for refinancing farm loans. Senate committee voted to report bills to: Establish experimental food stamp plan; exempt durum wheat from allotments and quotas; revise procedures for electing ASC committeemen. House passed bill for preservation of acreage allotments histories. Sen. Williams, Delaware, criticized Federal loans to poultry producers.

SENATE

- FARM LOANS.** Passed with amendment H. R. 7629, after substituting the language of S. 1941, which extends until June 30, 1961, the authority of the Farmers' Home Administration to make real estate loans for refinancing farm debts. As passed by the House the bill would have extended this authority indefinitely. Senate conferees were appointed. pp. 13864-5
Sen. Williams, Del., criticized loans by "six different agencies of the Government" to poultry producers, particularly the Small Business Administration, charged that a "\$27,000 loan had been made to a top official in the Department of Agriculture" to build a commercial broiler house, and inserted a letter from the Small Business Administration defending its loans to poultry producers and a table showing such SBA loans through April 1959. pp. 13836-9

2. THE AGRICULTURE AND FORESTRY COMMITTEE voted to report (but did not actually report) the following bills: p. D715
 - ~~S. 662, with amendment, to revise the procedures relative to the selection of members and operation of State, county, and community ASC committees;~~
 - ~~An original bill "establishing an experimental food stamp allotment program";~~
 - ~~S. 861, to authorize State officials to enter upon Federal lands within a State, under certain conditions, for the purpose of destroying noxious plants;~~
 - S. 623, with amendment, to exempt the production of durum wheat in the Tulalake area, Calif., from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938;
 - H. R. 4938, to continue the exemption of green peanuts from acreage allotments and marketing quotas.
3. WATERSHEDS. The Agriculture and Forestry Committee approved the following watershed plans: Boggs Creek, Inc.; Gilbert Run, Md.; Marsh Run, O.; Martinex Creek, Tex.; French Creek, Wash.; and Marshland, Wash. p. D715
4. ELECTRIFICATION; COOPERATIVES. The "Daily Digest" states that the Agriculture and Forestry Committee on Aug. 12 will consider S. Res. 21, expressing the sense of the Senate regarding a GAO decision relative to loans for the construction of facilities to bring electric service to persons who are not receiving central-station service; and that a subcommittee of the committee will hold hearings on Aug. 13 and 14 on S. 2014, to amend the Capper-Volstead Act so as to provide for farmer association ownership of marketing facilities by exempting such associations from the anti-trust laws. p. D715
5. FISHERIES. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) H. R. 2398, to authorize the Interior Department to construct a fish hatchery in northwestern Pa. for stocking streams in that area (including Forest Service streams). p. D716
6. TRANSPORTATION. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) S. Res. 151, to authorize a study of transportation problems in rural areas. p. D716
7. NOMINATIONS. The Interstate and Foreign Commerce Committee reported the nomination of Frederick H. Mueller to be Secretary of Commerce. p. 13813
8. SUPPLEMENTAL APPROPRIATION BILL, 1960. Sen. Anderson was included as a member of the conferees on this bill, H. R. 7978. p. 13822
9. FORESTRY; CONSERVATION. Sen. Church inserted and commended a newspaper editorial praising Sens. Murray and Mansfield for supporting measures for the conservation of our natural resources, particularly forestry. pp. 13821-2
10. ACCOUNTING; PERSONNEL. The Finance Committee voted to report (but did not actually report) S. 2282, to provide that no department or agency shall accept compensation from any State or Territory for services rendered in withholding State or Territorial income taxes from the salaries of employees of such departments or agencies and provision for the compensation of employers or employers other than the U. S. for such services shall not be regarded as subjecting the U. S. to a more burdensome requirement than is imposed upon other employers. p. D715

Aug 11 959

promised." Sens. Aiken, Humphrey, Gore, Church, and Proxmire debated the point. pp. 14115-7, 14121-3

Sens. Proxmire and Mansfield discussed the farm program and Sen. Proxmire urged support for Sen. Humphrey's farm bill, S. 2502 and stated that the bill will "aid the family farm," "make possible an adequate farm income," seek "to meet the need for adequate amounts of food," to promote international use of food surpluses, and "to get the farmers to produce what is needed, but not to produce in excess," and inserted a letter stating that the office of the Secretary of Agriculture has furnished "biased and exaggerated statistics to the urban press for its increasing attacks on the farmers." pp. 14123-5

Sen. Keating stated that in the light of the point that "four-fifths of all agricultural products are traded on the free market," the farmers and not the Government deserve the credit for a recently reported increase in farm assets and rise in farm income and inserted an editorial on the subject. He praised a recent recommendation made by the American Farm Bureau Federation which, according to an inserted newspaper article, "will get the Government out of business of buying and storing surplus butter, cheese, and nonfat milk." p. 14105

2. DEPARTMENT ORGANIZATION; BUDGET. Sen. Symington charged that the "major fiscal characteristics of the past 6½ years" are the responsibility of the executive branch and stated that "If the President would insist upon better organization and better business management in some of his departments, billions of dollars could be saved." pp. 14097-8

13. FOOD FOR PEACE. The Foreign Relations Committee reported with amendment (on Aug. 10) S. 1711, the food-for-peace bill (S. Rept. 632). p. 14075

14. THE AGRICULTURE AND FORESTRY COMMITTEE reported the following bills: p. 14078
~~S. 662, with amendment, to revise the procedures relative to the selection of members and operation of State, county, and community ASC committees (S. Rept. 647);~~

S. 623, with amendment, to exempt the production of durum wheat in the Tulalake area, Calif., from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938 (S. Rept. 649);

H. R. 4938, without amendment, to continue the exemption of green peanuts from acreage allotments and marketing quotas (S. Rept. 648);

S. 861, without amendment, to authorize State officials to enter upon Federal lands within a State, under certain conditions, for the purpose of destroying noxious plants (S. Rept. 646).

15. FORESTRY; INDIANS. The Interior and Insular Affairs Committee reported without amendment S. 2421, to amend the Klamath Indian Termination Act so as to change from April 1, 1961, to September 30, 1959, the date after which the U. S. may take title to the Klamath Marsh and make payments to the Klamath Indians for the land (S. Rept. 653). p. 14078

16. AREA REDEVELOPMENT. Sen. Byrd, W. Va., inserted an editorial urging the passage of area redevelopment legislation and urging the Administration to press for adoption of its "moderate" area redevelopment proposal. pp. 14106-7

17. TRANSPORTATION; WHEAT. Sen. Church inserted an article, "Not Enough Care Now for Wheat," and stated that there is a "crisis situation ... developing in the storage of grain in the Pacific Northwest, due to a shortage of railroad cars to move the crops," and stated that S. 1789, to insure the adequacy of national railroad freight car supply, would "return to the western roads the freight cars so badly needed." p. 14126

18. CONSERVATION CORPS. Sen. Humphrey inserted an article in support of the Youth Conservation Corps bill (S. 812). pp. 14139-40
19. SURPLUS FOODS. Sen. Humphrey inserted a letter in support of his resolution, S. Con. Res. 66, to establish a Great White Fleet to aid foreign countries, including the use of surplus foods. p. 14140
20. PUBLIC DEBT. Sen. Engle criticized the Budget Bureau for not committing itself on his bill, S. 1932, to provide for the retirement of the public debt in amounts which reflect annual increases in the gross national product, and stated, "Guides for budgeting are so distasteful to the Bureau that it cannot see them when they are proposed." pp. 14142-3
21. CREDIT AGENCIES. Sen. Wiley inserted a newsletter stating that Federal credit agencies, including FCA home loan banks, REA and others, "constitute a multi-billion-dollar budget loophole," and that "no coordinated Federal policies have ever been formulated to govern the operations of these many agencies." Sen. Wiley stated that this matter requires the attention of the Executive and Congressional branches. pp. 14099-100
22. FOOD STAMPS. The Agriculture and Forestry Committee reported an original bill S. 2522, to "provide for the enrichment and sanitary packaging of certain donated commodities and to establish experimental food stamp allotments programs" (S. Rept. 657). p. 14079
23. HOUSING. The Banking and Currency Committee reported S. 57, the housing bill, with a recommendation that it be passed over the President's veto (S. Rept. 656). p. 14079
The "Daily Digest" stated that the Banking and Currency Committee voted 8 to 7 "to recommend that the Senate override the President's veto on S. 57." p. D742
Sen. Javits expressed regret over the action of the committee to try to override the veto, and urged that Congress "close ranks and pass a housing bill." p. 14106
24. LANDS. Continued debate on S. 747, to authorize GSA and the Department of the Army to convey certain lands known as the Des Plaines Public Hunting and Refuge Area to Illinois. Sen. Morse expressed opposition to the bill as not meeting the requirements of the "Morse formula" of providing that the State pay 50 percent of the appraised fair market value of the land. pp. 14117-8, 14125-6, 14144-57, 14158-65
25. WATER POLLUTION. The Public Works Committee voted to report (but did not actually report) with amendment H. R. 3610, to increase grants for the construction of sewage treatment works under the Federal Water Pollution Control Act. p. D744
26. FEDERAL BUILDINGS. The Public Works Committee voted to report (but did not actually report) with amendment H. R. 7645, to grant GSA additional authority for the construction, alteration, and acquisition of Federal buildings. The "Daily Digest" states that the "amendment would substitute the language of S. 1654, with amendments." p. D744
27. WATERSHEDS. The "Daily Digest" states that the Public Works Committee approved the following watershed projects: Tehuacana Creek, Tex.; Second Creek, Miss.; Flat Creek, Ark.; Marsh-Kellogg Creek, Calif.; Upper Clear Boggy Creek, Okla.; and Roanoke Creek, Va. p. D744

DURUM WHEAT PRODUCTION IN TULELAKE AREA,
CALIFORNIA

AUGUST 11, 1959.—Ordered to be printed

Mr. JOHNSTON of South Carolina, from the Committee on Agriculture and Forestry, submitted the following

R E P O R T

[To accompany S. 623]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 623) to exempt the production of Durum wheat in the Tulalake area, Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, having considered the same, report thereon with a recommendation that it do pass with amendments.

The bill, as amended by the committee amendments, would extend Public Law 390, 85th Congress, to cover the 1960 and 1961 crops of Durum wheat in the Tulalake area of California. That law provides for increasing wheat acreage allotments in that area to 8,000 acres, the increase for each farm being conditioned upon the production of Durum wheat on the increased acreage. S. 623, as introduced, would have exempted the producers in the area from all acreage restrictions permanently. In view of present excessive supplies of all wheat and possible oversupplies of Durum wheat in specific years, the committee believed a complete exemption would be undesirable and would set a bad precedent, but that the limited relief provided by the bill was reasonable and necessary.

The Tulalake division of the Klamath project was developed by the Bureau of Reclamation and released by it for homesteading by World War I and II veterans. More than 95 percent of those now farming in the area are such veterans.

Only a few crops can be grown successfully in the area and Durum wheat was introduced in 1952. When special legislation was in effect in 1956 and 1957 to promote the production of Durum wheat in this and other areas, producers expanded their acreage but such acreage could not be counted as history for purposes of allocating future acreage allotments. Consequently, Public Law 390, 85th Congress,

2 DURUM WHEAT PRODUCTION IN TULELAKE AREA, CALIFORNIA

was enacted, giving the Tulalake producers an 8,000-acre allotment which could be counted as acreage allotment history. However, it was not enacted in time for the producers to take full advantage of it in 1958 and less than 5,000 acres were planted that year. Since the larger acreage planted this year cannot be counted in allocating the 1960 acreage allotment, it is estimated the 1960 allotment for the area will be around 1,500 acres unless the law is changed.

Durum wheat, which is the preferred cereal for the manufacture of macaroni, spaghetti, and similar products, will grow properly in only a few areas of the United States. These areas are located in Minnesota, North Dakota, South Dakota, Montana, and the Tulalake region of California. Durum wheat from the Tulalake area has created and sustained a new market, which cannot be economically supplied by wheat from the other areas. If this supply is now mandatorily reduced to less than one-fourth of its present total, severe disruption of this new industry will result and farmers of the area will be foreclosed from using a market which is ready to utilize their product.

The additional acreage would be allotted within the area on the basis of relative needs, tillable acreage, and other factors, and if planted, would be taken into account in establishing future State, county, and farm allotments. No wheat on a farm receiving an additional acreage allotment would be eligible for price support.

The report from the Department of Agriculture on the bill as introduced is attached.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 18, 1959.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate.

DEAR SENATOR ELLENDER: This is in reply to your request of January 26, 1959, for a report on S. 623, a bill to exempt the production of Durum Wheat in the Tulalake area, Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

This Department does not recommend the enactment of S. 623.

S. 623 would amend section 334 of the Agricultural Adjustment Act of 1938, as amended, to exempt the production of Durum wheat (class II) in the Tulalake area of Modoc and Siskiyou Counties, Calif., from the acreage allotment and marketing quota provisions of the act, effective with respect to the 1960 and subsequent crops, and to make ineligible for price support Durum wheat (class II) of the 1960 and subsequent crops produced in such area.

Our primary objection to the enactment of this bill stems from the fact that it would establish a precedent which could be used by producers of other classes of wheat, as well as producers of other commodities, as a basis for similar requests for exemption by legislative action. Such requests, if granted, could work to the disadvantage of producers of the commodity in other areas and would be inconsistent with the real purpose and objectives of the production adjustment programs.

It is our opinion that the enactment of this bill would be unfair to producers of Durum wheat (class II) in areas outside the Tulalake area

of California, because unrestricted production of Durum wheat in the Tulalake area would result in a considerable increase in the acreage seeded in such area and a substantial reduction in the movement of macaroni products from other areas of production to the west coast. We believe that the potential production of Durum wheat in the Tulalake area is adequate to supply the entire needs of the macaroni industry on the west coast.

With the carryover of all wheat at the beginning of the 1959-60 marketing year currently estimated at approximately 1.3 billion bushels, an alltime record high, and with the carryover of Durum wheat estimated to be almost as large as the production in 1958 of 22 million bushels, we feel the supply of Durum wheat for the 1960-61 marketing year will be more than adequate to meet all anticipated requirements without the enactment of legislation such as contained in S. 623.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

(i) Notwithstanding any other provision of this Act the Secretary shall increase the acreage allotments for the 1958 [and 1959] *through 1961* crops of wheat for farms in the irrigable portion of the area known as the Tulalake division of the Klamath project of California located in Modoc and Siskiyou Counties, California, as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of eight thousand acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State and county allotments otherwise established under this Act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any

4 DURUM WHEAT PRODUCTION IN TULELAKE AREA, CALIFORNIA

year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support. The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage.



86TH CONGRESS
1ST SESSION

S. 623

[Report No. 649]

IN THE SENATE OF THE UNITED STATES

JANUARY 23, 1959

Mr. KUCHEL (for himself and Mr. ENGLE) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

AUGUST 11, 1959

Reported by Mr. JOHNSTON of South Carolina, with amendments

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To exempt the production of durum wheat in the Tulalake area, Modoc and Siskiyou Counties, California, from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 334 of the Agricultural Adjustment Act of
4 1938, as amended, is amended, effective with respect to the
5 1960 and subsequent crops, by adding at the end thereof a
6 new subsection as follows:

7 “(j) Notwithstanding any other provision of this Act,
8 the Secretary shall exempt from the wheat acreage allotment
9 and wheat marketing quota provisions of this Act the pro-

A BILL

To exempt the production of durum wheat in the Tulare area, Modoc and Siskiyou Counties, California, from the acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended.

By Mr. KUNDEL and Mr. ENGLE

JANUARY 23, 1959

Read twice and referred to the Committee on
Agriculture and Forestry

AUGUST 11, 1959

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

CONTENTS

Issued August 20, 1959
For actions of August 18, 1959
86th-1st, No. 142

Access roads.....1		
Acreage allotments.....43		
Appropriations.....1,27,46		
ASC committees.....20,22		
Banking.....10		
Barter.....23		
Buildings.....7,26		
CCC.....3		
Civil defense.....1,37		
Committee expenditures...3		
Conservation.....36		
Conservation reserve..2,31		
Cotton.....43		
Dairy industry.....50		
Debt management.....38		
Disaster relief.....8		
Electrification.6,22,35,41		
Farm credit.....44		
Farm labor.....17,34		
Farm program.....9		
Feed.....8		
Fisheries.....13		
Food for peace.....18,52		
Food stamps.....5,30		
Foreign aid.....21		
Foreign trade.....22,23		
Forestry.....1,16,45		
Hay.....2		
Industrial uses.....31		
Legislative program....22		
Monopolies.....28		
Noxious plants.....19,22		
Peanuts.....12		
Personnel.....40		
Property.....49		
Public lands.....19,47,49		
Public Law 480.....22,23		
Purchasing.....48		
Radio spectrum.....51		
REA loans.....6,22,41		
Reclamation.....22,27,35		
Research.....11,14,31,32		
Science.....11,24		
Small business.....25,50		
Soil bank.....2		
Special milk.....42		
Statehood.....33		
Surplus		
commodities...5,23,39,52		
Transportation.....15		
Water.....14,29		
Wheat.....4,31		
Wildlife.....14,32		
Vehicles.....48		

HIGHLIGHTS; Both Houses agreed to conference report on supplemental appropriation bill. Senate passed bills to: Permit harvesting of hay on conservation reserve acreage in drought areas; exempt durum wheat from allotments and quotas. House committee voted to report industrial-uses research bill and bill to permit harvesting of hay on conservation reserve acreage in drought areas. House Rules Committee tabled motion to clear food stamp bill. House debated bill to extend Public Law 480. Sen. Symington inserted excerpts of testimony on submission of draft of farm bill by Secretary. Sens. Ellender and Aiken introduced bill to establish revolving fund for REA loans.

SENATE

1. SUPPLEMENTAL APPROPRIATION BILL, 1960. Both Houses agreed to the conference report on this bill, H. R. 7978, and acted on amendments in disagreement (pp. 15004-10, 15033-9). This bill will now be sent to the President. Agreed to an amendment to provide \$1,000,000 (instead of \$5,000,000 as proposed by the Senate) for forest access roads. Agreed to an amendment to provide \$3,000,000 (instead of \$3,650,000 as proposed by the Senate) to the Office of Civil and Defense Mobilization for allocation to Federal agencies for civil defense and defense mobilization functions. (See Digest 141 for other items of interest to the Department).

2. SOIL BANK. The Agriculture and Forestry Committee reported without amendment S. 2457, to authorize the Secretary to compensate producers under the Soil Bank

for actions based on erroneous information furnished by authorized representatives of the Secretary (S. Rept. 745). p. 14941

Passed without amendment S. 2323, to authorize the harvesting of hay on conservation reserve acreage in areas determined by the Secretary to be disaster areas. p. 14983

3. COMMITTEE EXPENDITURES. The Rules and Administration Committee reported without amendment S. Res. 161, to provide \$15,000 in additional funds for investigations by the Agriculture and Forestry Committee (S. Rept. 739). The report of the Agriculture and Forestry Committee on this resolution states as follows: "The committee is presently studying the Commodity Credit Corporation and related matters and field investigations may be required. Extensive hearings also may be required on proposed changes in the farm program. Increased funds will be necessary to complete these investigations, studies, and hearings."
4. WHEAT. Passed as reported S. 623, to provide a 2-year extension of the existing provision for a minimum durum wheat acreage allotment of 8,000 acres in the Tulalake area of California. p. 14970. (This bill, as introduced, would have exempted the producers in the area from all acreage restrictions on durum wheat permanently).
Passed over, at the request of Sen. Keating, S. 2449, to extend the International Wheat Agreement. p. 14980
5. FOOD STAMPS; SURPLUS COMMODITIES. Passed over, at the request of Sen. Keating, S. 2522, to provide for the enrichment and sanitary packaging of certain donated commodities, and to establish experimental food stamp allotment programs. p. 14971
6. ELECTRIFICATION. Passed without amendment S. 2263, to authorize the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act (p. 14983). The bill raises the exemption limit for such projects from 100 to 2,000 horsepower capacity.
Passed over, at the request of Sen. Engle, S. Res. 21, expressing the sense of the Senate concerning the making of certain loans by REA. p. 14980
Passed without amendment S. 2264, to amend the Federal Power Act to prohibit abandonment of facilities and service without the consent of the Federal Power Commission. p. 14983
7. PUBLIC BUILDINGS. Passed over, at the request of Sen. Engle, S. 1654, to grant GSA additional authority for the construction, alteration, and acquisition of public buildings of the Federal Government. p. 14979
8. DISASTER RELIEF. Passed over, at the request of Sen. Hart, S. 2504, to authorize the sale at market prices of agricultural commodities owned by the CCC to provide feed for livestock in areas determined to be emergency areas. p. 14983
9. FARM PROGRAM. Sen. Symington inserted excerpts from the testimony of the Secretary before the Agriculture and Forestry Committee with "bracketed inserts of the language as it appeared after it had been edited in the Department of Agriculture" to bolster his charge that the Secretary "promised to submit in legal language an omnibus farm bill," and a newspaper editorial urging that this material be inserted in the Record. pp. 14945-6
Sen. Bush inserted a letter to the editor from a college professor urging that the Government "stop paying subsidies for farm products and use the savings to reduce taxes." p. 14962

business having expired, the call of the calendar is now in order, in accordance with the order previously entered.

Mr. KEATING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KEATING. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will proceed with the call of the calendar, beginning with Calendar No. 640.

BILL PASSED OVER

The bill (S. 1711) to promote the foreign policy of the United States and help to build essential world conditions of peace, by the more effective use of U.S. agricultural commodities for the relief of human hunger, and for promoting economic and social development in less developed countries was announced as first in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

PIERRE BERTAGNOLIO

The bill (S. 1072) for the relief of Pierre Bertagnolio was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Pierre Bertagnolio shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

FRANK PODANY

The bill (S. 1856) for the relief of Frank Podany was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Frank Podany shall be deemed to have been born in Czechoslovakia.

ANTONIO MIOSI CASTRONOVO

The bill (S. 2190) for the relief of Antonio Miosi Castronovo was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the

minor child, Antonino Miosi Castronovo, shall be held and considered to be the natural-born alien child of Mary Frances Castronovo, a citizen of the United States: Provided, That the natural parents of the said Antonino Miosi Castronovo shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

MAN-YEH CHOW

The Senate proceeded to consider the bill (S. 1865) for the relief of Man-Yeh Chow, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 6, after the word "Act", to strike out "upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available" and insert "The number of refugees to whom permanent residence in the United States may be granted under the provisions of section 6 of the Refugee Relief Act of 1953, as amended, is hereby reduced by one."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Man-Yeh Chow shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act. The number of refugees to whom permanent residence in the United States may be granted under the provisions of section 6 of the Refugee Relief Act of 1953, as amended, is hereby reduced by one.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILLIAM JAMES HARKINS AND THOMAS LLOYD HARKINS

The Senate proceeded to consider the bill (S. 2027) for the relief of William James Harkins and Thomas Lloyd Harkins, which had been reported from the Committee on the Judiciary, with an amendment, in line 8, after the word "natural", to strike out "parents" and insert "mother", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, William James Harkins and Thomas Lloyd Harkins, shall be held and considered to be the natural-born alien children of Mr. and Mrs. Lewis James Harkins, citizens of the United States: Provided, That the natural mother of William James Harkins and Thomas Lloyd Harkins shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONCETTA MARCELLA

The Senate proceeded to consider the bill (S. 1298) for the relief of Concetta Marcella, which had been reported from the Committee on the Judiciary, with amendments, in line 5, after the name "Concetta", to strike out "Marcella," and insert "Meglio Meglio," and in line 7, after the word "States", to insert a colon and "Provided, That the natural parents of Concetta Meglio Meglio shall not, by virtue of such parentage, be accorded any right, privilege or status under the Immigration and Nationality Act."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Concetta Meglio Meglio, shall be held and considered to be the natural-born alien child of Marianna Marcella, a citizen of the United States: Provided, That the natural parents of Concetta Meglio Meglio shall not, by virtue of such parentage, be accorded any right, privilege or status under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Concetta Meglio Meglio."

MARTHA UCHACZ, BARTOSZYCE

The Senate proceeded to consider the bill (S. 1836) for the relief of Martha Uchacz, Bartoszyce which had been reported from the Committee on the Judiciary with an amendment, in line 5, after the name "Uchacz", to strike out "Bartoszyce," so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Martha Uchacz, shall be held and considered to be the natural-born alien child of Anne Barras, a citizen of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Martha Uchacz."

LEOKADIA GUZY

The Senate proceeded to consider the bill (S. 2050) for the relief of Leokadia Guzy, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Leokadia Jomboski shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee: Provided, That the natural parents of Leokadia Jomboski shall not, by virtue of such parentage, be accorded any

right, privilege or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Leokadia Jomboski."

IRENE BURDA

The Senate proceeded to consider the bill (S 2102) for the relief of Irene Burda, which had been reported from the Committee on the Judiciary, with amendments, in line 5, after the name "Irene", to insert "Wladyslawa", and in line 8, after the name "Irene", to insert "Wladyslawa"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Irene Wladyslawa Burda, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Edward Burda, citizens of the United States: *Provided,* That the natural parents of the said Irene Wladyslawa Burda shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Irene Wladyslawa Burda."

LOUIS J. DEWINTER AND SIMONE H. DEWINTER

The bill (H.R. 1705) for the relief of Louis J. DeWinter and Simone H. DeWinter was considered, ordered to a third reading, read the third time, and passed.

OATHER S. HALL

The bill (H.R. 1718) for the relief of Oather S. Hall was considered, ordered to a third reading, read the third time, and passed.

FELIP LEWENSZTEJN (HARRY LIPA LEVENSTEIN)

The bill (H.R. 7165) for the relief of Felip Lewensztejn (Harry Lipa Levenstein) was considered, ordered to a third reading, read the third time, and passed.

ADMISSION OF CERTAIN ALIENS

The Senate proceeded to consider the joint resolution (H.J. Res. 406) to facilitate the admission into the United States of certain aliens, which had been reported from the Committee on the Judiciary, with amendments, on page 3, after line 23, to strike out:

SEC. 9. For the purposes of section 101(a)(27)(C) of the Immigration and Nationality Act, the minor child, Anna Marina Marolo Rossiello, shall be held and considered to be the natural born accompanying alien child of Mrs. Anselmo Rossiello, a lawfully resident alien of the United States.

On page 4, at the beginning of line 5, to change the section number from "10" to "9"; at the beginning of line 10, to change the section number from "11" to "10"; at the beginning of line 16, to change the section number from "12" to "11"; at the beginning of line 24, to change the section number from "13" to "12"; on page 5, at the beginning of line 7, to change the section number from "14" to "13"; at the beginning of line 12, to change the section number from "15" to "14"; and after line 19, to insert a new section, as follows:

SEC. 15. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Lewis Dosa, shall be held and considered to be the natural-born alien child of Mr. and Mrs. William Dosa, citizens of the United States: *Provided,* That the natural parents of Lewis Dosa shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

BILLS PASSED OVER

The bill (S. 861) to provide for the control of noxious plants on land under the control of the Federal Government was announced as next in order.

Mr. KEATING. Mr. President, let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 662) to amend section 8(b) of the Soil Conservation and Domestic Allotment Act to provide for administration of farm programs by democratically elected farmer committeemen was announced as next in order.

Mr. KEATING. Mr. President, let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 4938) to amend the Agricultural Adjustment Act of 1938 to extend for 2 years the definition of "peanuts" which is now in effect was announced as next in order.

Mr. KEATING. Mr. President, certain amendments to that bill have been submitted.

Mr. ERVIN. Mr. President, I object to the present consideration of the bill, and particularly the amendments.

Mr. KEATING. I felt sure there would be objection. I believe, in all fairness, that it is not proper business for transaction upon the call of the calendar.

The PRESIDING OFFICER. The bill will be passed over.

EXEMPTION OF PRODUCTION OF DURUM WHEAT IN CERTAIN AREAS IN CALIFORNIA FROM THE ACREAGE ALLOTMENT AND MARKETING QUOTA PROVISIONS

The Senate proceeded to consider the bill (S. 623) to exempt the production of Durum wheat in the Tullake area, Modoc and Siskiyou Counties, Calif., from the acreage allotment and market-

ing quota provisions of the Agricultural Adjustment Act of 1938, as amended, which had been reported from the Committee on Agriculture and Forestry, with an amendment, to strike out all after the enacting clause and insert:

That the first sentence of section 334(i) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1334(i)), is amended by striking out "1958 and 1959" and inserting "1958 through 1961".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide a 2-year extension of the existing provision for a minimum wheat acreage allotment in the Tullake area of California."

DISTRIBUTION OF FUNDS TO CREEK TRIBE

The bill (S. 2339) to amend the law relating to the distribution of the funds of the Creek Tribe was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act of August 1, 1955 (69 Stat. 431), is amended by changing "\$200,000" to "\$325,000".

GRANTING OF MINERAL RIGHTS ON CERTAIN LANDS IN THE CROW INDIAN RESERVATION, MONT.

The Senate proceeded to consider the bill (S. 1715) to grant minerals, including oil and gas on certain lands in the Crow Indian Reservation, Mont., which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 2, line 22, after the word "devisees", to insert "or successors in interest," and in line 23, after the word "leases", to strike out the comma and "regardless of any prior conveyance by such allottee, heirs, or devisees of the lands overlying such minerals and regardless of the form of reference in such conveyance, or lack of reference, to the minerals reserved by this Act and made subject to further order of Congress"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of June 4, 1920 (41 Stat. 751), as amended by the Act of May 26, 1926 (44 Stat. 658), is hereby amended to read as follows:

"SEC. 6. (a) Any and all minerals, including oil and gas, on any of the lands to be allotted hereunder are reserved for the benefit of the members of the tribe in common and may, with the consent of the tribal council, be leased for mining purposes in accordance with the provisions of the Act of May 11, 1938 (52 Stat. 347; 25 U.S.C. 396 A-f), under such rules, regulations, and conditions as the Secretary of the Interior may prescribe: *Provided,* That when any land is leased for mining purposes and development thereunder shall indicate the presence of minerals, including oil and gas, in paying quantities, the lessee or lessees shall proceed with all reasonable diligence to complete the development under said lease to extract the mineral, including oil and gas, from the

OF THE HOUSE OF REPRESENTATIVES

IN SENATE,
JANUARY 1, 1901.

AN ACT

to provide for the relief of the estate of the late
John D. Rockefeller, deceased, and for the relief of
his children.

Enacted by the Senate and House of Representatives
of the United States of America in Congress assembled,
That the debt of the late John D. Rockefeller, deceased, to the United States

86TH CONGRESS
1ST SESSION

S. 623

IN THE HOUSE OF REPRESENTATIVES

AUGUST 20, 1959

Referred to the Committee on Agriculture

AN ACT

To provide a two-year extension of the existing provision for a minimum wheat acreage allotment in the Tulalake area of California.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of section 334 (i) of the Agricultural
4 Adjustment Act of 1938, as amended (7 U.S.C. 1334 (i)),
5 is amended by striking out "1958 and 1959" and inserting
6 "1958 through 1961".

Passed the Senate August 19 (legislative day, August 18), 1959.

Attest:

FELTON M. JOHNSTON,

Secretary.

AN ACT

To provide a two-year extension of the existing provision for a minimum wheat acreage allotment in the Tulelake area of California.

AUGUST 20, 1959

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

CONTENTS

Issued January 29, 1960
For actions of January 28, 1960
86th-2d, No. 15

Adjournment.....	14		
Civil defense.....	5		
Farm program.....	15		
Foreign trade.....	10		
Forestry.....	12		
Interest rates.....	9		
Lands.....	17,19,21		
Legislative program...7,13			
Library services.....	6,22		
Organization.....	2		
Personnel.....	2,20	Research.....	3
Political activity.....	20	Small business.....	4
Property.....	17	Soil and water research..	3
Reclamation.....	1	Sugar.....	18
		Transportation.....	11
		Water compact.....	21
		Water resources.....	16
		Wheat.....	8

HIGHLIGHTS: House subcommittee voted to report bill to exempt certain California areas from durum wheat allotments and quotas.

SENATE

1. RECLAMATION. Received the annual report of the Federal Power Commission. p. 1348
2. PERSONNEL; ORGANIZATION. Received from HEW a proposed bill to establish the position of Administrative Assistant Secretary of HEW; to Post Office and Civil Service Committee. p. 1348
3. SOIL AND WATER RESEARCH. Sen. Thurmond inserted a resolution from the S. C. Legislature urging Congress "to appropriate sufficient funds to conduct basic and applied research at a research center to be established in the Pee Dee area of South Carolina on problems involved in the usage of soil and water resources in the middle Atlantic coastal areas. pp. 1348-9
4. SMALL BUSINESS. Sen. Sparkman submitted for printing the annual report of the Select Committee on Small Business (S. Rept. 1044). p. 1349
5. CIVIL DEFENSE. Sen. Young, O., criticized the Federal civil defense program as being "wasteful and inefficient" and urged that the program be "scrapped." pp. 1358-9

6. LIBRARY SERVICES. Sen. Wiley urged the enactment of legislation to expand the library services program for small communities and rural areas, and inserted two articles discussing "the splendid work that has been made possible through operation of the Library Services Act in Wisconsin." pp. 1363-5
7. LEGISLATIVE PROGRAM. Sen. Johnson announced that the Senate would begin debate on civil rights legislation Feb. 15. p. 1347

HOUSE

8. WHEAT. The Wheat Subcommittee of the Agriculture Committee voted to report (but did not actually report) S. 623, to extend existing provisions for a minimum durum wheat acreage allotment of 8,000 acres in the Tulalake region of California. p. D52
9. INTEREST RATES. Rep. Patman urged defeat of any attempt to raise the ceiling on interest rates of long-term Government bonds, inserting articles by Mr. D. I. Rogers, Rep. Mills, and Professor Galbraith to back his position. pp. 1409-12
10. FOREIGN TRADE. Rep. Van Zandt asked for the support of the "liberal traders" in finding a solution to the problem facing U. S. industry in regard to foreign import competition. pp. 1413-15
11. TRANSPORTATION. Rep. Fascell inserted an article by A. F. Arpaia, ICC Commissioner, which he says "delineates the necessity of a selective approach" in opposition to the "blunderbuss approach" in reorganization of Government "agency operations and administrative procedure." pp. 1423-25
12. FORESTRY. Received a letter from the Acting Secretary of Interior transmitting a draft of proposed legislation dealing with the sale of Indian timber. p. 1426
13. LEGISLATIVE PROGRAM. Rep. McCormack announced that on Monday there would be a call of the Consent Calendar and that H. R. 5789, to incorporate the agricultural Hall of Fame, would be considered under suspension of the rules. He also stated that on Tuesday there will be the call of the Private Calendar and that H. R. 8394, to authorize the Secretary to make payments on light-weight hogs, would be considered during the week "if the Rules Committee reports out rules." p. 1407
14. ADJOURNED until Mon., Feb. 1. p. 1926

ITEMS IN APPENDIX

15. FARM PROGRAM. Extension of remarks of Rep. Coad stating that "Economic conditions in rural America are deteriorating rapidly," urging the enactment of legislation "which will really work and be of help to the farmers," and inserting a newspaper editorial criticizing the Secretary's farm policies. pp. A758-9
16. WATER RESOURCES. Rep. Springer inserted an address by Gov. Stratton, Ill., discussing water resource development in Ill. pp. A750-1
17. PUBLIC LANDS; PROPERTY. Rep. Berry inserted a newspaper editorial discussing Federal ownership of property, including public lands, and stating that there

Feb 4, 1960

14. TOBACCO. The Agriculture Committee reported, without amendment, H. R. 9664, to revise existing laws on tobacco price supports (H. Rept. 1242). pp. 1962
15. WATER POLLUTION. Received the conference report on H. R. 3610, to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works and to establish the Office of Water Pollution Control (H. Rept. 1243). pp. 1947-8
16. WHEAT. The Agriculture Committee voted to report (but did not actually report) S. 623, to provide a 2-year extension of the existing provisions of law for a minimum durum wheat acreage allotment in the Tulalake area of California. p. D79
17. RECLAMATION; ELECTRIFICATION. Received a letter from the Secretary of Interior transmitting a report on the Garrison Diversion Unit, North Dakota and South Dakota, Missouri River Basin project (H. Doc. 325). p. 1962
18. PUBLIC LANDS. Received a letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to provide for withdrawal and reservation by the Dept. of the Air Force of certain public lands of the U. S. at Nellis AFB, Nev., for defense and other purposes; to Interior and Insular Affairs Committee. p. 1962
19. CIVIL SERVICE. Received a report from the Chairman, U. S. Civil Service Commission, relating to positions in grades 16, 17, and 18 for the calendar year 1959. p. 1962
20. FARM PROGRAM. Rep. Allen inserted a newspaper article, "The Farm Outlook Picture is Not All Black." p. 1948
21. HIGHWAYS. Rep. Rogers inserted a newspaper article discussing the proposed speed up of the highway construction program in Mass. pp. 1951-2
22. FOREIGN TRADE. Rep. Celler criticized the provisions in the charter contracts with shippers made under Public Law 480 which he says allows this nation "to be used to serve the purposes of the Arab boycott against Israel." p. 1952
23. FORESTRY. Reps. Kastenmeier, Wier, Baird, Ostertag, Coffin, and Fisher favorably discussed the forestry research program carried out in the Forestry Products Laboratory, and Rep. Kastenmeier commended the Laboratory on its 50th Anniversary as a "national servant of the American people." pp. 1956-60
24. MINERALS. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee the following bills: p. D80
H. R. 8740, to provide for the leasing of oil and gas interests in certain lands owned by the U. S. in the State of Texas.
H. R. 7987, with amendment, to authorize the issuance of prospecting permits for phosphate in lands belonging to the U. S.
H. R. 964 and H. R. 982, with amendment, to amend the Act of Dec. 22, 1928, relating to the issuance of patents of tracts of public land held under color of title, and to provide that patents may be issued under such Act without reservation of minerals.
25. LEGISLATIVE PROGRAM. Rep. McCormack stated that H. R. 9331, the special milk bill will be considered Mon., Feb. 8, followed by the conference report on H. R. 3610, the Federal Water Pollution Act, and the Commerce Dept., and D. C. appropriation bills for 1961. He also stated that the Lincoln's birthday recess

would begin at the close of business Wed., Feb. 10, and end Sun. Feb. 14.
pp. 1943-4

26. ADJOURNED until Mon., Feb. 8. p. 1943

ITEMS IN APPENDIX

27. DEPRESSED AREAS. Extension of remarks of Rep. Saylor urging enactment of Legislation to provide assistance to regions of chronic unemployment. p. A943
28. FARM PROGRAM. Extension of remarks of Rep. Short inserting an article, "Where Modern Efficiency Doesn't Pay Off," and stating that under circumstances as clearly set out in this article "it is difficult to see how the farmer could cut his production and stay in business without an increase in price."
p. A944
Extension of remarks of Rep. Schwengel discussing the bills which have been introduced to provide payment-in-kind legislation to deal with the corn-surplus problem and inserting an article, "Solve the Farm Problem This Year 1960."
pp. A962-3
Rep. Wolf inserted two articles, "Fewer Farmers Hasn't Solved Income Problem," and American Farmer Is Unsung Hero." pp. A980-1
Sen. Mundt inserted an article, "Deficiency Payments Plan Is Under Attack By Canadian Farmers." p. A985
29. FOOD ADDITIVES. Extension of remarks of Sen. Hartke inserting an address by John L. Harvey, Deputy Commissioner, Food and Drug Administration, "Safety for Household and Farm Chemicals." pp. A950-1
30. WATER RESOURCES. Extension of remarks of Rep. Jensen inserting an article urging a carefully worked out long-range program for the conservation of water resources. p. A958
31. FOOD-FOR-PEACE. Extension of remarks of Sen. Church inserting an article by Chester Bowles, "Our Farm Surplus Can Be Their Daily Bread," and stating that Mr. Bowles "speaks with authority of the tremendous impact this program would have in the developing countries." pp. A981-2
32. SURPLUS COMMODITIES; EXPORTS. Rep. Breeding commended and inserted the report compiled by the House Committee on Agriculture on U. S. agricultural exports to Western Europe. pp. A987-990

BILLS INTRODUCED

33. PERSONNEL. H. R. 10186, by Rep. Byrne, Pa., H. R. 10204, by Rep. Johnson, Cal., H. R. 10206, by Rep. Lesinski, H. R. 10212, by Rep. Quigley, H. R. 10216, by Rep. Roosevelt, and H. R. 10219, by Rep. Vanik, to adjust the rates of basic compensation of certain officers and employees of the Federal Government; to Post Office and Civil Service Committee.
H. R. 10188, by Rep. Celler, to include certain officers and employees of the Department of Labor within the provisions of sections 111 and 1114 of title 18 of the United States Code relating to assaults and homicides; to Judiciary Committee.
H. R. 10197, by Rep. Gubser, to provide for the establishment of rates of compensation for positions in the Federal Government in appropriate relationship to local prevailing rates for similar positions; to Post Office and Civil Service Committee.

7/8/60

"Annualization" Increases:

"The budgets for certain agencies in this bill contained sizable increases over the current year for the specific purpose of placing on a full-year basis in 1961 certain activities accelerated during fiscal 1960 with increased appropriations granted in the 1960 bill. These increases are identified as 'annualization' of activities financed for only a portion of fiscal 1960 and were so justified. They aggregate a not inconsiderable sum.

"Without undertaking to lay down any hard and fast rule because there will on occasion be instances justifying exception -- and clearly recognizable as such -- the annualization procedure is generally viewed as impractical. Uncertainties inherent in budget making and reviewing are such that, as a general rule, the going size of a continuing-type program or activity should be financed within amounts granted in a given year rather than gearing the first year, or initial expenditure level to further increase in funds automatically assumed to be forthcoming. Unforeseeable changes in conditions may necessitate future funding decisions which would, during fruition of the 'annualization' concept, be disruptive of orderly program planning and result in inefficient use of public funds. The practice tends to introduce undesirable rigidities in the budget and appropriations processes. Furthermore, while first-year staffing under such conditions will often be so staggered during the year as to result in unusually large 'lapses' representing that portion of the year the new positions are not filled, and therefore to that extent not requiring dollars to cover, the 'annualization' increase required for the personnel for the full 12 months in the second year can often be met by funds provided in the first year for non-recurring items of equipment, lapses and savings within the total activity spectrum embraced by the appropriation, and the like."

"Accordingly, the Committee desires that those having responsibility for planning and budgeting undertake to follow the general rule of avoiding the 'annualization' practice."

Century 21 Exposition:

"Funds for participation in this exposition totaling \$9,000,000 were appropriated in the supplemental chapter of the Mutual Security Appropriation Bill late in the last session of the Congress. As the Committee had not had an opportunity to review the program the Acting Commissioner was called before it to give a report on progress to date and future planning. The Committee was disturbed to learn plans are being made to include foreign exhibits in the Federal building which will be constructed with appropriated funds, and that a European representative has been added to the staff for the purpose of soliciting and approving exhibits. The Committee is opposed to the employment of any person to be sent abroad for such purposes and directs that none of the funds heretofore appropriated be spent for foreign travel. Any request for additional funds for expenses of participation in the Exposition will be looked on with disfavor."

1. SUPPLEMENTAL APPROPRIATIONS. Received from the President supplemental appropriation estimates for the fiscal year 1960 (H. Doc. 327); to Appropriations Committee. This document includes the following items for this Department: Commodity Credit Corporation, for restoration of balance of 1958 and part of 1959 realized losses, \$675,000,000; Commodity Credit Corporation, increase in administrative expense limitation, \$800,000; Commodity Stabilization Service, for acreage allotments and marketing quotas, \$1,666,800; and Forest Service, for fighting forest fires, \$21,000,000. p. 2091

Feb. 8, 1960

12. WHEAT. The Agriculture Committee reported without amendment S. 623, to provide a 2-year extension of the existing provision for a minimum wheat-acreage allotment in the Tulalake area of Calif. (H. Rept. 1254). p. 2092
13. TOBACCO. The Rules Committee reported a resolution for consideration of H. R. 9664, to stabilize support levels for tobacco against disruptive fluctuations and to provide for adjustment in such levels in relation to farm costs. p. 2092
14. TEXTILES. Rep. Lane criticized the administration's policy on tariffs and stated that "we must have some form of equalizing legislation to protect us from foreign sweatshop competition." p. 2074
15. MEAT IMPORTS. Rep. Hoeven assured Congress that imported Canadian pork would not hurt domestic producers and inserted his correspondence with the Department to back his stand. p. 2075
16. CHEMICALS. Rep. Horan criticized the Delaney Amendment, which provides that no substance which has caused cancer may be used in feeds as a deterrent to research in the chemical field. p. 2075-6
17. FORESTRY. Received a letter from this Department transmitting a draft of proposed legislation "To authorize and direct that the national forests be managed under principles of multiple use and to produce a sustained yield of products and services"; to Agriculture Committee. p. 2091
18. D. C. APPROPRIATIONS BILL, 1961. Passed without amendment H. R. 10233, the District of Columbia appropriation bill for the fiscal year 1961. pp. 2051-3, 2057-64. The Appropriations Committee had previously reported (on Feb. 5) this bill without amendment (H. Rept. 1246).
19. SMALL BUSINESS. The Select Committee on Small Business reported on the organization and operation of the Small Business Administration pursuant to H. Res. 51 (H. Rept. 1252). p. 2092
20. APPROPRIATIONS; FORESTRY. Received from the Budget Bureau a report that the appropriation for this Department for "Forest protection and utilization, Forest Service," has been apportioned on a basis indicating the need for a supplemental for fighting forest fires. p. 2091
21. LEGISLATIVE PROGRAM. Rep. McCormack stated that H. R. 9664, to stabilize support levels for tobacco against disruptive fluctuations, would be considered today, Feb. 9. p. 2044 In addition, the "Daily Digest" states the house will consider the conference report on H. R. 3610, to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works, and H. R. 10234 the Commerce appropriation bill. p. D85

ITEMS IN APPENDIX

22. ECONOMIC POLICIES. Sen. Bennett inserted an address by Sen. Robertson, "Fiscal and Monetary Policies in a Changing Economy." pp. A991-2
23. TAXATION. Extension of remarks of Rep. Dooley inserting a statement which was presented before the House Ways and Means Committee concerning the justification for the tax-exemption provisions applying to cooperatives. pp. A997-9

DURUM WHEAT PRODUCTION IN TULELAKE AREA, CALIFORNIA

FEBRUARY 8, 1960.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

[To accompany S. 623]

The Committee on Agriculture, to whom was referred the bill (S. 623) to provide a 2-year extension of the existing provision for a minimum wheat acreage allotment in the Tulelake area of California, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of this bill is to extend for 2 years (for the crops of 1960 and 1961) a provision of law (sec. 334(i) of the Agricultural Adjustment Act of 1938, as amended) which for the past 2 years has provided a special durum wheat acreage allotment for the Tulelake division of the Klamath irrigation project in California. The acreage so allotted will count as history in determining future acreage allotments, may be planted only to Durum wheat (class II), and the wheat produced on such acreage will not be eligible for price support.

NEED FOR THE LEGISLATION

The need for the legislation is described in the following excerpt from the Senate report on the bill (S. Rep. No. 649):

The Tulelake division of the Klamath project was developed by the Bureau of Reclamation and released by it for homesteading by World War I and II veterans. More than 95 percent of those now farming in the area are such veterans.

Only a few crops can be grown successfully in the area and Durum wheat was introduced in 1952. When special

legislation was in effect in 1956 and 1957 to promote the production of Durum wheat in this and other areas, producers expanded their acreage but such acreage could not be counted as history for purposes of allocating future acreage allotments. Consequently, Public Law 390, 85th Congress, was enacted, giving the Tulelake producers an 8,000-acre allotment which could be counted as acreage allotment history. However, it was not enacted in time for the producers to take full advantage of it in 1958 and less than 5,000 acres were planted that year. Since the larger acreage planted this year cannot be counted in allocating the 1960 acreage allotment, it is estimated the 1960 allotment for the area will be around 1,500 acres unless the law is changed.

Durum wheat, which is the preferred cereal for the manufacture of macaroni, spaghetti, and similar products, will grow properly in only a few areas of the United States. These areas are located in Minnesota, North Dakota, South Dakota, Montana, and the Tulelake region of California. Durum wheat from the Tulelake area has created and sustained a new market, which cannot be economically supplied by wheat from the other areas. If this supply is now mandatorily reduced to less than one-fourth of its present total, severe disruption of this new industry will result and farmers of the area will be foreclosed from using a market which is ready to utilize their product.

The additional acreage would be allotted within the area on the basis of relative needs, tillable acreage, and other factors, and if planted, would be taken into account in establishing future State, county, and farm allotments. No wheat on a farm receiving an additional acreage allotment would be eligible for price support.

COST

Enactment of this bill would entail no additional cost to the Federal Government, since the wheat to be produced on the acreage provided therein will not be eligible for price support and is not regarded as competitive with wheat produced under the support program.

HEARINGS AND DEPARTMENT POSITION

At hearings on this bill several witnesses appeared in support of the measure and spokesmen for the Department of Agriculture stated that the Department has no opposition to its enactment. So far as the committee is aware, there is no opposition to this bill.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, and existing law in which no change is proposed is shown in *roman*):

AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

* * * * *

APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

SEC. 334.

* * * * *

(i) Notwithstanding any other provision of this Act the Secretary shall increase the acreage allotments for the [1958 and 1959] 1958 through 1961 crops of wheat for farms in the irrigable portion of the area known as the Tulelake division of the Klamath project of California located in Modoc and Siskiyou Counties, California, as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of eight thousand acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State and county allotments otherwise established under this Act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support. The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage.

○

Union Calendar No. 544

86TH CONGRESS
2^D SESSION

S. 623

[Report No. 1254]

IN THE HOUSE OF REPRESENTATIVES

AUGUST 20, 1959

Referred to the Committee on Agriculture

FEBRUARY 8, 1960

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

AN ACT

To provide a two-year extension of the existing provision for a minimum wheat acreage allotment in the Tulelake area of California.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of section 334 (i) of the Agricultural
4 Adjustment Act of 1938, as amended (7 U.S.C. 1334 (i)),
5 is amended by striking out “1958 and 1959” and inserting
6 “1958 through 1961”.

Passed the Senate August 19 (legislative day, August
18), 1959.

Attest:

FELTON M. JOHNSTON,

Secretary.

86TH CONGRESS
2D SESSION

S. 623

[Report No. 1254]

AN ACT

To provide a two-year extension of the existing provision for a minimum wheat acreage allotment in the Tulelake area of California.

AUGUST 20, 1959

Referred to the Committee on Agriculture

FEBRUARY 8, 1960

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Feb 15 1966

relationship of pesticides and wildlife, the Outdoor Recreation Resources Review Commission, and the Virgin Islands Corporation (H. Rept. 1264) (p. 2329) At the end of this Digest is a table showing the Forest Service items. The committee report includes the following statements:

Forest land management.***"the Committee has reprogrammed \$1,000,000 of the budgeted increase of \$4,657,000 for recreation to strengthen other urgent requirements on the national forests. Although the Committee appreciates the need for additional recreation facilities in the national forest, it believes that it is not justified in making provisions for this need at the expense of other urgent requirements."

Superior National Forests. "The Committee recommends an appropriation of \$750,000, a reduction of \$250,000 in the budget request. *** it is believed that the additional amount provided should be adequate to permit continuing an effective acquisition program in fiscal year 1961."

15. WILDLIFE. Passed without amendment H. R. 7045, to authorize the establishment of the Arctic Wildlife Range in Alaska. p. 2302
16. GOVERNMENT VEHICLES. Passed as reported H. R. 766, to amend existing laws so as to modify the strict penalty provision in title 5, United States Code, for the use of Government-owned vehicles and aircraft for other than official purposes and give to the heads of departments or agencies the discretion of fixing the disciplinary action in any given case. pp. 2302-3
17. PERSONNEL; ATTACHES. Passed over, at the request of Rep. Gross, H. R. 8074, relating to the assignment of attaches for a maximum of 4 years in the U. S. without grade reduction. p. 2303
18. PUBLIC LANDS. Passed as report H. R. 7004, to permit consistent practices in the management of all Bureau of Land Management lands so far as investigations, cooperative agreements, and acceptance of contributions are concerned. pp. 2306-7
19. WHEAT. Passed without amendment S. 623, to extend for 2 years (1960-61 crops) the provisions of Public Law 85-390, which provided a minimum wheat acreage allotment of 8,000 acres in the Tulalake area, California, for the production of durum wheat (class II). This bill will now be sent to the President. pp. 2308-9
20. FARM INCOME. Rep. Brown of Georgia criticized this Department, stating "it does appear that the solution of farm problems first requires a change in the state of mind at the policymaking level," and called for "the best efforts of the Congress in the passage of legislation, a more determined effort and optimistic approach to the administration of agricultural programs, and a complete understanding by consumers of the position of the American farmer." pp. 2324-5
21. SUGAR. Rep. Flood inserted an Isthmian newspaper article which criticizes the "sugar policy of the U. S. under which Cuba gets a bonus for sugar sold to this country" and which calls for withdrawal of this policy "until decent government returns to the island." pp. 2326-7
22. LEGISLATIVE PROGRAM. The "Daily Digest" states that the legislative program for Tues. will include the Private Calendar as well as consideration of H. R. 10401, the Dept. of Interior and related agencies appropriation bill. p. D103

ITEMS IN APPENDIX

23. ELECTRIFICATION. Extension of remarks of Sen. McCarthy inserting an article and stating that it "sets forth a number of questions that should be answered before any consideration is given to the President's request for an increase in REA interest rates; he also inserted an address by Sen. Humphrey criticizing the administration's REA programs. pp. A1193-5
24. RECREATION. Sen. Yarborough inserted an article in support of the plan to create a national seashore recreation area on Padre Island. pp. A1199-200
25. FARM PROGRAM. Extension of remarks of Sen. Stennis inserting excerpts from an address by Sen. Russell in which he criticized the Administration's farm policies. pp. A1201-2.
Rep. Robison inserted an article, "Time to Halt Farm Giveaway." pp. A1225-6
Extension of remarks of Rep. Pelly stating that since he introduced his bill which would "end the present farm subsidy program I have received strong indication that the American people are fed up with agricultural supports..." pp. A1227-8
Extension of remarks of Rep. George inserting an address by Rep. Brock discussing the development of the livestock industry. pp. A1237-8
26. AREA REDEVELOPMENT. Extension of remarks of Rep. Van Zandt inserting a report which was sent to certain groups on the current status of area redevelopment legislation. pp. A1205-6
27. LIBRARY SERVICES. Sen. Hill inserted a newspaper article urging consideration of S. 2830, extending the Library Services Act, which provides library services to rural area for an additional 5 years. pp. A1205-6
28. DAIRY PRODUCTS. Extension of remarks of Sen. Wiley calling for increased research in an attempt to stimulate the export of surplus dairy products, and an insertion of a newspaper article explaining the need for educating foreign consumers to the high nutritional value of dairy foods. pp. A1210-1
29. FEDERAL SPENDING. Rep. O'Brien inserted a newspaper article which he called "an exhaustive study of Federal spending," and which compared revenues and expenditures of the Federal government under the last three Presidents. pp. A1211-2
30. FARM PRICES. Extension of remarks of Rep. McIntire stating that "it is a paradox of our times that for the farmer -- as his productive efficiency increases his reward decreases," and inserting a comparison of changes in marketing charges related to farm prices. pp. A1214-5

BILLS INTRODUCED

31. PERSONNEL. H. R. 10403, by Rep. Baldwin, to provide for the determination of the compensation of firefighting personnel in accordance with prevailing rates; to Post Office and Civil Service Committee.
H. R. 10406, by Rep. Baring; H. R. 10411, by Rep. McFall, and H. R. 10413, by Rep. Perkins, to adjust the rates of basic compensation of certain officers and employees of the Federal Government; to Post Office and Civil Service Committee.

depositors of amounts contributed by them in specific instances where the contribution is in excess of their share of the cost.

(b) This section shall not in any manner limit or repeal any existing statutory authority empowering the Secretary of the Interior to accept contributions or donations.

TITLE II—SERVICE CHARGES AND EXCESS PAYMENTS

SEC. 201. Notwithstanding any other provision of law, the Secretary of the Interior may establish reasonable filing fees, service fees and charges, and commissions with respect to applications and other documents relating to public lands and their resources under his jurisdiction, and may change and abolish such fees, charges, and commissions. Before any action is taken under this section, the Secretary shall publish in the Federal Register notice of his intention to take such action, and shall afford interested parties a period of 30 days, or if he shall find it advisable, more, within which to submit data, views, and arguments, either in writing or, if he shall deem it desirable, in open hearing.

SEC. 202. (a) All fees, charges, and commissions prescribed by existing law or regulation shall remain in effect until changed or abolished by the Secretary.

(b) Subject to the provisions of this section, any provision in statutes which fix fees, service fees or charges, or commissions for the purposes covered in this title, are hereby repealed, including, without limitation, the first proviso of the General Land Office appropriations in the Act of February 14, 1931 (46 Stat. 1115, 1118; 43 U.S.C. 23), section 2239 of the Revised Statutes (43 U.S.C. 84), and such provisions of the following Acts as are contained in section 82, title 43, United States Code:

Act	Citation
Revised Statutes.....	Sec. 2238.
May 14, 1880 (in sec. 2) ..	21 Stat. 140, 141.
Dec. 17, 1880.....	21 Stat. 311.
July 26, 1892.....	27 Stat. 270.
Mar. 22, 1904.....	33 Stat. 144.
May 29, 1908 (in sec. 14) ..	35 Stat. 465, 468.
Jan. 24, 1923.....	42 Stat. 1174, 1179.
June 5, 1924.....	43 Stat. 390, 395.
Mar. 3, 1925.....	43 Stat. 1141, 1145.

SEC. 203. This Act shall not be construed as affecting the provisions of the Act of August 24, 1912, as amended (5 U.S.C. 488), relating to the price of copies of records furnished by the Department of the Interior.

SEC. 204. (a) In any case where it shall appear to the satisfaction of the Secretary of the Interior that any person has made a payment under any statute relating to the sale, entry, lease, use, or other disposition of the public lands which is not required, or is in excess of the amount required, by applicable law and the regulations issued by the Secretary, the Secretary, upon application or otherwise, may cause a refund to be made from applicable funds.

(b) The act of March 26, 1908 (35 Stat. 48), as amended and supplemented by the act of December 11, 1919 (41 Stat. 366; 43 U.S.C. 95-98), and the act of June 27, 1930 (46 Stat. 822; 43 U.S.C. 98a), is hereby repealed.

TITLE III—DEPOSITS AND FORFEITURES

SEC. 301. Any moneys received by the United States as a result of the forfeiture of a bond or deposit by a timber purchaser or permittee who does not fulfill the requirements of his contract or permit or does not comply with the regulations of the Department, or as a result of a compromise or settlement of any claim whether sounding in tort or in contract involving present or potential damage to timberlands, shall be covered into the Treasury and are hereby appropriated and made available, until expended as the Secretary may direct, to cover the cost to the United States of any forest

improvement, protection, or rehabilitation work, which has been rendered necessary by the action which has led to the forfeiture, compromise, or settlement.

SEC. 302. The Secretary may require the user of a road or trail under the jurisdiction of the Bureau of Land Management to deposit sufficient money to enable the Secretary to maintain it in a satisfactory condition. Such deposits shall be covered into the Treasury and are hereby appropriated and made available until expended, as the Secretary may direct, to cover the cost to the United States of the maintenance of any road or trail under the jurisdiction of the Bureau of Land Management.

SEC. 303. Any moneys collected under this act in connection with lands administered under the act of August 28, 1937 (50 Stat. 874; 43 U.S.C. 1181a, and the following), shall be expended for the benefit of such land only. If any portion of a deposit or amount forfeited under this act is found by the Secretary to be in excess of the cost of doing the work authorized under this act, the amount in excess shall be transferred to miscellaneous receipts.

With the following committee amendment:

Page 5, line 20, strike out the sentence "The Secretary may require the user of a road or trail under the jurisdiction of the Bureau of Land Management to deposit sufficient money to enable the Secretary to maintain it in a satisfactory condition." and insert in lieu thereof the following: "The Secretary may require the user of a road or trail under the jurisdiction of the Bureau of Land Management to maintain such roads or trails in a satisfactory condition, or if such maintenance cannot be so provided to deposit sufficient money to enable the Secretary to provide such maintenance."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO CONVEY CERTAIN LANDS TO COLORADO RIVER COMMISSION

The Clerk called the bill (H.R. 7359) to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the Colorado River Commission of Nevada acting for the State of Nevada.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask if this is going to increase agricultural production? Is it going to bring any new land into production?

Mr. BARING. Mr. Speaker, if the gentleman will yield to me, I would like to explain that. The land involved is about 5,000 acres, and is about 70 miles south of Las Vegas, Nev. The ground is not good even for a jackrabbit right now. There are provisions here whereby we can get some of the water allotted to Nevada from the Colorado River for some irrigation, yes; but most of it will be recreation, home sites, and industry.

Mr. GROSS. But some of this land will do better than raise jackrabbits; is not that correct?

Mr. BARING. Truck farming.

Mr. GROSS. Yes.

Mr. BARING. There are some acres there.

Mr. GROSS. You will not be back to ask Congress for more money to provide water to put on the land?

Mr. BARING. No. The gentleman certainly knows that I do not go along with that program.

Mr. GROSS. I just want to be sure this is not a foot in the door, to start a new program and then ask Congress to provide more money to put water on the land.

Mr. BARING. No. I recall to the gentleman that we do have the water allotment already given to us, and it will come out of our allotment.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, as used in this Act—

(a) The term "Secretary" shall mean the Secretary of the Interior.

(b) The term "Commission" shall mean the Colorado River Commission of the State of Nevada.

(c) The term "State" shall mean the State of Nevada.

(d) The term "transfer area" shall mean all lands or interests in lands owned by the United States and located within the exterior boundaries of the area described in section 2 of this Act.

SEC. 2. The Secretary is hereby authorized and directed to segregate from all forms of entry under the public land laws of the United States, during a period of five years from and after the effective date of this Act, the following described lands, situated in the State of Nevada and comprising approximately 15,000 acres:

(1) All of sections 1, 12, and 13 and fractional sections 24 and 25, township 33 south, range 65 east.

(2) All of sections 6, 7, and 8, fractional sections 4, 5, 9, 10, and 15, all of section 16, fractional section 17, all of section 18, fractional sections 19, 20, 21, 22, and 30, township 33 south, range 66 east.

(3) East half section 20, all of sections 21, 22, and 23, fractional sections 24, 25, and 26, all of sections 27 and 28, east half section 29, southeast quarter section 31, fractional sections 32, 33, 34, and 35, township 32 south, range 66 east.

(4) The eastern boundary of the transfer area is to be the Arizona-Nevada State line, that is, the centerline of the Colorado River, and all range references contained in the foregoing refer to the Mount Diablo base and meridian.

SEC. 3. The Commission, acting on behalf of the State, is hereby given the option, after compliance with all of the provisions of this Act and any regulations promulgated hereunder, of having patented to the State by the Secretary all or portions of the lands within the transfer area. Such option may be exercised at any time during the five-year period of segregation established in section 2, but the filing of any application for the conveyance of title to any lands within the transfer area, if received by the Secretary from the Commission prior to the expiration of such period, shall have the effect of extending the period of segregation of such lands from all forms of entry under the public land laws until such application is finally disposed of by the Secretary.

SEC. 4. Prior to conveying any lands or interests in lands of the United States to the State, the Commission and the Secretary shall comply with the requirements set out following:

(a) The Commission, within three years after the effective date of this Act, shall submit to the Secretary a proposed plan of development for the entire transfer area, which plan shall include but need not be limited to the general terms and conditions under which individuals, governmental agencies or subdivisions, corporations, associations or other legal entities may acquire rights, title, or interests in and to lands within the transfer area.

(b) At any time after submission of a proposed plan for the entire transfer area, as required by the preceding subsection, the Commission may select for transfer from Federal to State ownership such land units within the transfer area as contain not less than three sections of land in reasonably compact tracts, taking into account the situation and potential uses of the land involved. All applications for transfer of title to any such land unit shall be made to the Secretary and shall be accompanied by a development and acquisition planning report containing such information relative to any proposed development and acquisition payment plan as may by regulation be required by the Secretary. No acquisition payment plan shall be considered by the Secretary unless such plan provides for payment by the State into the Treasury of the United States, within five years of the delivery of patent to the Commission, of an amount equal to the appraised fair market value of the lands conveyed.

(c) At the earliest practicable date following the effective date of this Act, the Secretary shall cause an appraisal to be made of the fair market value of the lands within the entire transfer area, including mineral and material values, if any; such appraisal when completed shall constitute the only basis for determining the compensation to be paid to the United States by the Commission for the transfer of any or all of the lands to which this Act is applicable.

(d) As soon as a proposed unit development and acquisition planning report is found by the Secretary to comply with the provisions of this Act and with such regulations as the Secretary may prescribe as to the contents thereof, the Secretary is hereby authorized and directed to negotiate a contract of sale with the Commission and to prepare appropriate conveyancing instruments for the lands involved.

Thereafter, the Secretary shall submit to the Congress, for reference to the appropriate committees of the House of Representatives and the Senate, copies of the Commission application, proposed unit development and acquisition planning report, and proposed contract of sale and conveyancing instruments, together with his comments and recommendations, if any.

(e) No contract of sale or instrument of conveyance shall be executed by the Secretary with respect to any lands applied for by the Commission prior to sixty calendar days (which sixty days, however, shall not include days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) from the day on which the Secretary makes the submissions required by the preceding subsection, unless the Congress, prior to the expiration of said sixty days, approves the execution of such contract of sale and instrument of conveyance.

SEC. 5. The conveyance or conveyances authorized by this Act shall be made subject to any existing valid rights pertaining to the lands included within the transfer area.

SEC. 6. If the State selects and purchases under this Act any lands which are subject on the date the purchase by the State becomes effective to a lease, permit, license, or contract issued under the Mineral Leasing Act of February 25, 1920 (41 Stat. 437), as amended (39 U.S.C. 181 and the following), the State shall be required to purchase all the lands

subject to that lease, permit, license, or contract which are included within the boundaries of the transfer area. The purchase of lands subject to a lease, permit, license, or contract shall neither affect the validity nor modify the terms of the lease, permit, license, or contract in any way, or affect any rights thereunder, except that the State shall assume the position of the United States thereunder, including any right to rental, royalties, and other payments accruing on or after the date on which the purchase by the State becomes effective, and any right to modify the terms or conditions of such leases, permits, licenses, or contracts.

SEC. 7. The Secretary is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary or proper in carrying out the provisions of this Act. He shall give particular attention in so doing to including in any conveyancing instruments executed under the authority of this Act such provisions as will in his judgment protect existing or future uses by the United States of lands within the transfer area, including, but not limited to, provision for reversion of title therein to the United States upon failure of the State or its successors in interest to strictly comply with the terms and conditions of any such conveyancing instrument: *Provided*, That the Secretary, after consultation with the Commission, shall determine the amount and location of all lands within the transfer area which may be required for future use by the United States, and, he shall have until the filing by the Commission of the proposed plan of development provided by section 4(a), to define and describe all such lands.

With the following committee amendments:

Page 1, line 9, through page 2, line 2, strike out all of paragraph (d) and insert in lieu thereof the following:

"(d) The term 'transfer area' shall mean all of the lands and interests in land owned by the United States and described in section 2 of this Act, except (1) lands in which the Fort Mohave Indian Tribe holds an interest, (2) lands excluded at the request of the Commission because of conflict with a mining claim or claims, and (3) lands or interests in land reserved to the United States pursuant to section 7 of this act."

Page 2, strike out all of line 12 and insert in lieu thereof: "9, 10, and 15, east half, east half northwest quarter, and southwest quarter section 16, west half northeast quarter, west half, and southeast quarter fractional section 17, all of".

Page 2, line 13, strike out the figure "22".

Page 2, line 16, strike out the figures "24, 25," and insert in lieu thereof the figure "24".

Page 2, line 18, strike out the figure "33".

Page 2, line 19, strike out all of paragraph (4) and insert in lieu thereof:

"(4) Notwithstanding the specific land descriptions in items 1 through 3, the eastern boundary of the transfer area is the center line of the Colorado River as it exists on the date of approval of this Act, and all range references contained in the foregoing refer to the Mount Diablo base and meridian."

Page 3, line 2, strike out the words "or portions".

Page 3, line 5, strike out the word "any" and insert in lieu thereof the word "the".

Page 3, line 23, strike out everything through page 4, line 5, and insert in lieu thereof:

"(b) At any time after submission of a proposed plan, as required by the preceding subsection, the Commission, may select for transfer from Federal to State ownership the entire transfer area. The application for transfer of title to the transfer area shall be made to the Secretary".

Page 4, line 20, after the word "basis", insert a comma (,) and add the following: "except for such adjustment as may be re-

quired by virtue of the provisions of sections 1 and 6 of this Act."

Page 4, line 22, strike out the words "any or all of".

Page 5, line 10, strike out the word "unit".

Page 6, line 1, strike out "The conveyance or conveyances" and insert in lieu thereof "Any conveyance".

Page 6, lines 4-21, strike out all of section 6 and insert in lieu thereof the following:

"SEC. 6. If any of the lands described in section 2 of this Act are subject to a lease, permit, license, or contract issued under the Mineral Leasing Act of February 25, 1920 (41 Stat. 437), as amended (39 U.S.C. 181 and the following), the patenting of such lands to the States shall neither affect the validity nor modify the terms of such lease, permit, license, or contract in any way, or affect any rights thereunder, except that the patent, unless it contains a mineral reservation made pursuant to a request of the State, shall include the transfer to the State of all right, title, and interest of the United States in and to such lease, permit, license, or contract so far as it pertains to such lands, including any right to rents, royalties, and other payments accruing on or after the date on which the patent is issued, and any right to modify the terms or conditions of such lease, permit, license, or contract so far as it pertains to such lands."

Page 7, line 12, after the word "and" insert a comma and add the following: "except for such adjustment as may be required by virtue of the provisions of section 1 of this Act,".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

A motion to reconsider was laid on the table.

CONEJOS WATER CONSERVANCY DISTRICT, COLORADO

The Clerk called the bill (H.R. 6516) to approve a contract with the Conejos Water Conservancy District, Colorado, to ratify its execution, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the contract between the United States and the Conejos Water Conservancy District, Colorado, dated June 3, 1958, which provides, among other things, for a variable repayment plan based upon the availability of water for use on project lands within the district, is approved and its execution on behalf of the United States by the representative of the Secretary of the Interior is hereby ratified. The Secretary may reduce the amount required in said contract to be maintained in the operation and maintenance reserve fund to not less than \$20,000, in which event the amount of any necessary annual deposits to such fund shall not exceed \$2,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DURUM WHEAT PRODUCTION IN TULELAKE AREA, CALIFORNIA

The Clerk called the bill (S. 623) to provide a 2-year extension of the existing provision for a minimum wheat acreage

allotment in the Tulalake area of California.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. PELLY. Reserving the right to object, Mr. Speaker, I wonder if someone, either the author of the bill or a member of the committee, would indicate whether or not the passage of this measure would in any way increase the surplus of wheat that exists in the country today.

Mr. ALBERT. This bill will not have any effect on the surplus of wheat. It extends for 2 years a statutory provision allowing the Tulalake area in California an exemption in the amount of 8,000 acres to take care of a local market that has developed in California for Durum wheat. It is true that Commodity Credit Corporation has on hand some 11 million bushels of Durum wheat in the Minneapolis area, but this wheat has no claim on the California market. This Tulalake area developed this market. It is their historic market, and it will be destroyed if this bill does not pass.

Representatives of the Department of Agriculture testified they had no objection to the bill, that they agreed that this market did belong to this area, and that a 2-year extension in their opinion was consistent with what was right and just under the circumstances.

Mr. SHORT. Mr. Speaker, will the gentleman yield for an observation?

Mr. PELLY. I yield to the gentleman from North Dakota.

Mr. SHORT. The North Dakota Durum growers have no objection to this legislation. As the gentleman knows, North Dakota produces more Durum wheat than any other State.

Mr. ALBERT. It is a purely local matter. If California wheat cannot reach the market, the market will be destroyed.

Mr. PELLY. As I understand, this does not increase the price support and does not increase the surplus of wheat, so there is no objection to it. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 334(1) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1334(1)), is amended by striking out "1958 and 1959" and inserting "1958 through 1961".

CITY OF TILLAMOOK, OREG.

The Clerk called the bill (H.R. 3676) to direct the Secretary of the Interior to convey certain lands to the city of Tillamook, Oreg.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Reserving the right to object, Mr. Speaker, I find the report accompanying this bill quite interesting, particularly on page 4 where the Department of the Interior states:

We do not know what the city's intention in seeking this land is, although it has long shown an interest in obtaining title to it.

Was not the Department of the Interior informed as to why this land was wanted by the city?

Mr. NORBLAD. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. NORBLAD. The city is planning to make a marine park and boat launching area there, and, I believe, the report shows that in another portion thereof.

Mr. GROSS. I would have thought the Department of the Interior would have been informed of the purpose for which the land was to be used.

Mr. NORBLAD. I am sure they have been informed. If the gentleman will notice, on the bottom of the first page, there is mention made of the development of a boat launching area and marine park.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is directed to convey all the right, title, and interest of the United States in and to lot 4, section 25, township 1 south, range 10 west, Willamette meridian, Oregon, embracing some 1.98 acres, to the city of Tillamook, Oregon, upon the payment of the fair market value of the land conveyed: *Provided,* That in the disposition, by sale, lease, or otherwise, or any tract of the land conveyed by this act which is occupied or developed for municipal, business, residential, or other beneficial purposes on the date of approval of this act, the city of Tillamook shall afford a preference right to the occupant thereof on the date of approval of this act, or his successor in interest. Where the tract is occupied by a person other than the owner of the improvements thereon, the owner of the improvements shall, for the purposes of this subsection, be considered the occupant of the tract.

With the following committee amendment:

Page 2, following line 7, add a new section to read:

"Sec. 2. The execution of the conveyance directed by section 1 of this Act shall not relieve any occupants of those lands of any liability, existing on the date of that conveyance, to the United States for unauthorized use of the conveyed lands."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

READING OF WASHINGTON'S FAREWELL ADDRESS ON MONDAY, FEBRUARY 22

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Monday, February 22, 1960, Washington's Farewell Address may be read by a Member to be designated by the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Pursuant to the special order agreed to today, the Chair designates the gentleman from Missouri, Mr. BROWN, to read Washington's Farewell Address immediately following the reading of the Journal on February 22, 1960.

REFERENCE OF BILL, H.R. 10380, TO THE COMMITTEE ON THE JUDICIARY

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that the bill H.R. 10380 be referred to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

OCEANOGRAPHIC SURVEYS

(Mr. GEORGE P. MILLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEORGE P. MILLER. Mr. Speaker, in the studies of oceanography of the Subcommittee on Oceanography of the House Committee on Merchant Marine and Fisheries, one of the most important and pressing problems facing us is the need to develop effective ways and means to conduct oceanwide continuing surveys of the sea that we may know the boundaries of the sea, the properties of the water in the sea, and the biological life occurring in the seas of the world.

To the end that we shall establish a public policy with respect to oceanographic surveys and to provide for coordination of the efforts of Federal agencies with respect to oceanographic surveys without changing the individual responsibilities of those agencies, I am today introducing a bill which I believe will accomplish this purpose.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS TO SIT DURING GENERAL DEBATE

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and/or any subcommittee thereof may have permission to sit during general debate during the balance of the week.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DECLARING THE SENSE OF CONGRESS ON THE CLOSING OF INDIAN HOSPITALS

Mr. HALEY. Mr. Speaker, I move to suspend the rules and pass the resolution, House Concurrent Resolution 7, declaring the sense of Congress on the closing of Indian hospitals, as amended.

The Clerk read as follows:

Whereas it is the policy of the United States, in keeping with treaties, understandings, and long-established customs, to pro-

vide certain necessary services and facilities to American Indians; and

Whereas it is essential that such necessary services and facilities be continued in those instances in which the Indians cannot otherwise provide or obtain such services and facilities; and

Whereas the medical and hospital facilities so provided the Indians meet one of their fundamental needs: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is declared to be the sense of the Congress that no Indian hospital be closed or reduced in capacity or service unless and until the Surgeon General of the Public Health Service has given at least ninety days' notice to the Congress of the planned hospital closing or reduction in services, and has certified with such notice that the intended closing or reduction in services will not create a shortage of hospital facilities in the area served, or intensify an existing shortage of hospital facilities in the area served, and has further certified that adequate facilities and services will be available to the Indians of the area.

It is further declared to be the sense of the Congress that public health programs to reduce Indian tuberculosis and infant mortality rates should not be curtailed in any area until the Indian rates are comparable to non-Indian rates in the area.

Mr. EDMONDSON. Mr. Speaker, I urgently request favorable action on this resolution, for which we have been fighting for 3 years.

Let me give you a few facts regarding health conditions among the Indian people of the United States. They are based upon the official reports of the U.S. Department of Health, Education, and Welfare and most of them can be found in the publication Indian Health Highlights dated September 1959.

Most of our Indian health problems are concentrated in the 24 Federal Indian reservation States where approximately 350,000 Indians receive health services through the program of the Division of Indian Health. There is also an active program in Alaska for approximately 37,500 Alaskan natives.

Twenty years ago 115 out of every 1,000 Indian babies did not survive the first year of life. By 1957 that figure had been reduced to 58 out of every 1,000, which is a tribute to the increasing effectiveness of medical and health programs which our Government has financed among Indians.

However, there can be no question of the need for continuation of this program, and for increasing its support and effectiveness wherever possible, in the light of these tragic statistics:

The death rate from tuberculosis among Indians in the 24 Federal Indian reservation States is 4 times as high as the tuberculosis death rate for the general population of the United States. Among Alaskan natives, the death rate from tuberculosis is 12 times higher than the non-Indian rate.

The death rate among these same Indians in 24 States from gastritis, enteritis, colitis, and duodenitis is 8 times as high as that of all citizens.

Among Indians in the 24 Indian reservation States the death rate from influenza and pneumonia is three times as high as the non-Indian rate. Among Alaskan natives the influenza and pneumonia death rate is five times as high as the non-Indian rate.

Even with the improvement of the last 20 years, the chance of an Indian baby to survive its first year of life is only one-half as good as that chance is for the non-Indian baby.

For the total Indian beneficiary population the average age at death is 40 years, which compares with an average rate for all races in the population of 62 years. While the high infant mortality rate among Indians is a big factor in this figure, the Indian health disadvantage is clearly demonstrated by considering statistics on average age at death of all who survive the 5th birthday. That average, among non-Indians, is 67 years. For the American Indian however, it is 57. For the Alaskan native, it is 53.

In short, the average Indian is paying a 22-year penalty in length of life for the unfortunate health standards and conditions which have prevailed for so many years in the reservation States.

Passage of House Concurrent Resolution 7, Mr. Speaker, will assure a continued all-out effort by our Government, with full congressional support, in the field of Indian health. I strongly urge passage of this resolution.

Mr. WIER. Mr. Speaker, as part of my remarks I include the following letter:

STATE OF MINNESOTA,
EXECUTIVE OFFICE,
St. Paul, February 10, 1960.

The Honorable ROY W. WIER,
U.S. House of Representatives,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN WIER: From the minutes and resolutions of the Governor's Interstate Indian Council held at Sylvan Lake last year, I am deeply concerned that strong support is needed to give implementation to Resolutions 7 and 8 by our Minnesota congressional delegation.

As you know, Resolution 7 urges Congress to appropriate a minimum budget of \$4 million for the fiscal year of 1961 to enable the Division of Indian Health, U.S. Public Health Service, to properly implement provisions of Public Law 86-121, and a \$1 million supplement for fiscal year 1960 to permit an immediate approach to the problems as defined in Public Law 86-121.

Resolution 8 recognizes the urgent need of adequate appropriations to provide for an expansion of medical, hospital and public health facilities for Indians. If the Public Health Service shall carry out its present program in respect to Indian health and to raise the standard of Indian health up to a par with the general population, it is imperative that adequate support be given to a minimum budget of \$10 million for the construction of planned staff quarters, hospitals and clinics in areas of desperate need.

It is my sincere conviction that your support of these resolutions will materially facilitate budgetary requests of the Public Health Service in securing those services so badly needed by the Indians of our State and country. May I solicit your earnest consideration and support of this request.

Sincerely yours,
ORVILLE L. FREEMAN,
Governor.

Mr. BERRY. Mr. Speaker, I wish to join with the gentleman from Oklahoma [Mr. EDMONDSON], in supporting the passage of this resolution, the basic purpose of which is to insure that no Indian hospital will be closed or reduced in capacity to the detriment of the health

in the area which is served by such hospital. It also provides guide lines by which such determination may be made.

During the lengthy consideration of this resolution, in the House Subcommittee on Indian Affairs, the subcommittee attempted to place an amendment upon the resolution which would take care of another matter so very important to the Indians in States having laws similar to those in South Dakota and, I believe, a majority of the States of the Middle West.

The amendment which I offered and which was acceptable to the gentleman from Oklahoma the chairman, and most of the members of the committee, but which we discovered became so involved it became necessary to withdraw it from this resolution, read as follows:

It is further declared to be the sense of Congress that hospital and medical care under Federal auspices should not be limited to Indians residing on trust or reservation land, notwithstanding the desirability that those who become members of other communities should be so regarded as a legal charge for all purposes, but that such care should continue to be available to Indians residing elsewhere at the place of their residence so long as, under the laws of the place in which they live, which laws are uniformly applied to them and to others, they are ineligible for similar care under State or local governmental auspices; and that, before final decision is made with respect to changes in services or eligibility requirements for hospital and medical services to Indians under Federal auspices, there should be full consultation with the tribal councils or other governing bodies of the Indians affected.

The purpose of this proposed amendment, the intent of which has now been incorporated into House Concurrent Resolution 454, is to put the Indian Department, administering an Indian reservation, in the same position as is a county in States having laws similar to those in South Dakota which requires liability on the part of the county from which an indigent person removes until such time as such an indigent person shall have gained residence in the new community into which he or she has removed.

If an indigent person, who has received relief in his home county, moves to another county in South Dakota and the county into which he removes serves a notice upon him that neither he or his family shall acquire legal settlement which involves the liability of such county to provide for relief, his assistance does not become the responsibility of such new county, for an additional year and the county can protect itself from such person becoming a charge upon that county by serving an additional notice within the succeeding year, and so forth.

In other words, the county into which a non-Indian moves can protect itself against a heavy liability for poor relief by permitting that person to live within the county, but preventing him from becoming a legal resident for relief purposes. As a matter of fact, the county can protect itself against such liability from a person from another State and if relief is given the county or State from which such individual originally came must compensate the county into which

Public Law 86-385
86th Congress, S. 623
February 20, 1960

AN ACT

74 STAT. 4.

To provide a two-year extension of the existing provision for a minimum wheat acreage allotment in the Tulalake area of California.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 334(i) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1334(i)), is amended by striking out "1958 and 1959" and inserting "1958 through 1961". 72 Stat. 101.

Approved February 20, 1960.

